



THE ASSOCIATION & VOICE OF THE US SEWN PRODUCTS INDUSTRY

## **REVIEW & FORECAST**

### **Pandemic had multiple impacts – good and bad – on SEAMS’ members in 2020**

By Devin Steele

*Editor’s note: COVID-19 slipped into the U.S. early this year and swiftly spread to pandemic proportions, as we all know. And in battling the virus, our healthcare heroes began to issue urgent pleas as the shortage of Personal Protective Equipment (PPE) – and our dependence on foreign sources for this lifesaving gear – was becoming a top challenge related to the crisis. But many SEAMS’ members heeded the call to address this growing problem in order to help fight the spread. Many of our companies pivoted production into materials for PPE, others volunteered to offer inputs for these products. Supply chains were formed virtually overnight, which enabled a number of members to thrive this year. The crisis affected each member differently, so as in previous years, we have put together a Review & Forecast article featuring companies who opted to report how COVID affected their businesses and what their expectations are in the new year. Following is input from participating companies, listed alphabetically.*

#### **Almack Liners / Stone Flowers Apparel**

In the beginning of the pandemic, Almack Liners’ government contracts all got delayed or shifted to PPE production. However, its line of women’s apparel, Stone Flowers Apparel, began flourishing due to the advantage conferred by its entirely USA-based manufacturing process, according to Susana Almack, Almack Liners president and Stone Flowers apparel CEO.

“It goes without saying that 2020 has been a difficult year for all businesses, including our own,” she said. “That said, Almack Liners and Stone Flowers Apparel have been fortunate to be based on an 100% American-made business model. That fact has enabled us to remain competitive in this rather challenging climate.”

Almack added that she expects business levels next year to be “more or less” comparable to 2020.

“The main difference will be a sense of normalcy, compared to the situation in 2020 where we were all caught off guard,” said Almack, whose company is based in Chatsworth, Calif. “To prepare for the coming year, we will continue to implement best practices to operate our business safely and sustainably in this ‘new normal.’ ”

Based on her experience this year, any change or progression back to how things “used to be” will be slow and incremental, she added. “As such, I’m anticipating the following year to be quite similar to the latter half of 2020, and as always, we’ll be taking things one step at a time,” she said.



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Asked her thoughts on the economy and prospects for U.S. manufacturing, particularly under a probable new administration, she noted that although she isn't an expert on trade policy, it does appear that Biden has a plan to protect American manufacturing as part of his platform.

"For example, he has claimed he will tighten regulations to ensure that products 'made in America' for federal procurement purposes will include more legitimately USA-made content than is currently required," Almack said. "Whether or not these promises are made good on, one thing we have learned in 2020 is that the made in America movement is crucial and essential to our economy, workforce and independence, and I anticipate that the future will continue to reinforce this lesson."

### **Apex Mills**

Describing 2020 as "undoubtedly tumultuous," Jonathan Kurz, CEO & owner of Apex Mills, Inwood, N.Y., noted that the year started on a promising note, with sales ahead of 2019. But the outlook rapidly took a nose-dive when the pandemic hit, he said.

April and May were the worst months for sales at Apex as customers across the nation closed. Still, being a small, nimble business built to identify problems and solve them, the company was able to pivot production, secure supply-chain partners and manufacture general-purpose face masks and gown fabric for PPE, he pointed out.

"These efforts brought us through the summer, and by the fall, we had seen our loyal customers return, and new customers emerge as innovative new product developments were introduced," Kurz said.

While admitting that it's a challenge to speculate on business for 2021, Apex Mills is beginning to experience an uptick in its core business as companies resume production and look towards product development, he said. One of the outcomes of the pandemic is that many manufacturers have stated their intention to move production back to the United States from overseas, he added.

"The trickle effect of this movement is monumental as it not only helps our economy but also benefits the supply chain and reduces the carbon footprint," he said. "This past year, while some doors closed, others have opened, and we plan on continuing to identify new markets and partners to diversify and broaden the scope of our capabilities."

Kurz noted that, regardless of political position, change is likely with a new administration. The Trump administration supported buy-American procurement rules, implementing better trade terms for U.S. manufacturers, he noted. By leaving NAFTA and renegotiating the USMCA,



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there is a more equitable agreement between the countries with increased benefits to the steel, automotive, textile and farming industries, he said.

“It is speculative to say how Biden’s policies will change, but I expect that he will support buy-American procurement and continue to be less dependent on foreign-sourced strategic supply chains and stricter on trade with China,” he said.

### **Aurora Specialty Textiles Group**

Yorkville, Ill.-based Aurora Specialty Textiles Group, Inc. finished the year relatively strong but was on track to see a record-breaking year prior to the pandemic, according to President Marcia Ayala.

The company is preparing for a slow start to 2021 but expects a recovery in the second half of the year, she added. The biggest factors playing a role in that outlook is the lingering pandemic and the timing of getting the vaccine to majority of the population, she pointed out.

“I think there will be a lot of pent-up demand once things get back to ‘normal,’ ” Ayala said.

She said she is encouraged that the Biden administration has discussed bolstering the U.S. supply chain for PPE, strong buy-American proposals and strong trade enforcement against predatory trade practices. “All those are positive for the U.S. textile market,” she said.

Ayala added that she is well aware that the U.S. textile industry is resilient and continues to reinvent itself and innovate, which bodes well for the future.

“I have faith that we will continue to do that and rise to the occasion,” Ayala said. “With the new White House administration and the coronavirus vaccine on the horizon, I am optimistic.”

### **Authentically American**

This year was “good” for apparel maker Authentically American, Nashville, Tenn., but not the great year the company had planned, according to founder & CEO Dean Wegner.

“We will nearly double our business this year, but we planned for four to five times growth,” he said. “Long term, our business is even stronger. Now more than ever with the global pandemic, everyone hates ‘made in China’ and LOVES that we are American made!”

In the coming year, Authentically American is conservatively planning to double its business again in 2021, Wegner said. “There is so much uncertainty, it could be higher or lower than we are planning,” he added.



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The biggest portion of the company's business is client focused, he pointed out. So if tradeshow, sales meetings, networking events, etc. come back online, Authentically American is expected to have a "very strong year," he said. If not, it will continue to be a struggle, he added.

Regardless of the next White House administration, Wegner said he doesn't see a significant shift in support of U.S. manufacturing, as both major presidential candidates had a buy-American platform.

### **Blacksmith International**

Blacksmith International, a Park City, Utah-based company that designs, develops and manufactures quality, U.S.-made consumer products and provides small-batch, on-demand manufacturing, saw its business decrease by 35% from 2019 due primarily to the COVID-19 pandemic and the trade war, according to CEO Brian Sather. But he said he anticipates a much better year in 2021.

"Though 2020 was slow, it provided an opportunity to exam the business closely," he said. "We have retrenched around our core business, setting aside strategic initiatives that present a much higher risk to the business than the core manufacturing operations."

Factors affecting his better outlook for 2021 include the preparation it made for growth in 2021, a new administration in the White House and a COVID-19 vaccine, he said.

"We learned some hard lessons about just how far away from efficient U.S. manufacturing really is," Sather said. "Until the technology and markets are ready for on-demand apparel manufacturing, it is going to be extremely difficult to compete with Asia."

As such, he added that he is "mostly pessimistic" about the ability for the U.S. to compete in the near term.

"We simply do not yet have the technology or the skillset to be competitive," Sather said. "We spent large sums of money over the past three years on the cutting-edge of on-demand domestic manufacturing and learned that the current outsourced model for apparel manufacturing is a long way away."

### **Champion Thread Co.**

Like most other sewn products and textile businesses, Champion Thread Co. (CTC), Gastonia, N.C., experienced a significant slowdown around the second quarter (March-May) of this year due to COVID-related shutdowns and reduced production volumes encountered by its clients, according to President Matt Poovey.



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Since then, however, its product orders have bounced back, reaching and exceeding pre-pandemic levels from August onwards, he added. Its order backlog has returned to healthy levels, and the company now expects an overall increase in business for the year vs. 2019, he noted.

“We are naturally pleased with this comeback and attribute this recovery to our teams' dedication and commitment to doing what was needed to keep our business running,” Poovey said. “We were fortunate to keep our core teams employed through the year as they bent over backward to keep things running. We also recognize that our diversity in products and industry segments played a crucial role in weathering the storm.”

CTC also expects a better 2021, and the company is continuing to expand its diversification strategies in the new year, he said. This expansion includes the planned release of several “exciting” new products that will drive significant new sales levels in the coming year, he pointed out.

“We are also taking action to open new markets and expand our outreach into new and existing markets,” Poovey said. “Our ongoing commitment to innovation through automation investment will also contribute to what we expect to be a strong year for CTC.”

After the virus is beaten through “continued diligence, medications and vaccines,” Poovey said he expects to see continued healthy demand for all of its products across all market segments. CTC will also benefit from nearshoring and reshoring activities that have been accelerated by the pandemic, he continued. And he said he anticipates strong efforts and programs aimed at workforce development in the U.S. will enable increased domestic production.

While the future of domestic PPE production remains unclear, CTC fully supports SEAMS, the National Council of Textile Organizations (NCTO) and other industry groups' efforts to bolster PPE manufacturing in the USA, he said. Implementation of the USMCA and the clarification of rules of origin will help many domestic textiles and sewn products companies seeking preferential tariff treatment, he added.

“While domestic plant closures have hurt our industry, CTC is very optimistic for the remaining lean and nimble companies,” Poovey said. “We believe that there are miles and miles of runway for these agile and forward thinkers.”

## **Fireflyline**

Iowa-based Fireflyline, which offers pattern making and fit improvement services, is anticipating business to slip slightly below last year's levels after business dropped off completely from March through May due to clients closing their physical offices and supply chain disruption, said owner Lacey Bell.



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However, the summer months were extremely busy as clients returned to their offices and tried to catch up on product development, and the third quarter returned to normal business levels, she added. With that momentum, Bell said she expects a better year in 2021.

“We witnessed an increased interest in 3D virtual prototypes in the second half of 2020 due to supply chain issues and the need to work remotely,” she said. “Fireflyline focuses on digital patterns and 3D prototypes, moving our clients in the needed direction. I also anticipate most companies have made alternative plans to keep working if physical offices need to close in 2021.”

And from a geopolitical and supply chain standpoint, the stars may be aligning for reshoring and nearshoring, Bell noted.

“Many of the tariff increases of the last couple years may be eliminated, but labor costs are continuing to increase in China,” she said. “Retailers focused on costs will continue to look to overseas production, but based outside of China. U.S. manufacturers will need to continue to market supply chain stabilization and the value of services.”

Bell added that she sees tremendous opportunity for small fashion brands and start-ups.

“Internet marketing is allowing them to capture market share that previously would have been unaffordable to reach,” she said. “People are making purchases through Instagram-sponsored ads without recalling the retailer that processed the purchase. Manufacturers focused on lower minimums and high levels of product development services can cater to these smaller businesses. In order to capture the semi-luxury retailers that will pay a premium for production, the sample quality and product development services need to be on par with overseas factories.”

### **Hamrick Mills**

The level of business at Hamrick Mills, Gaffney, S.C., has been down compared to last year and certainly compared to anticipated levels based on the first few months of 2020, according to Jim Hopkins, director of Sales & Marketing.

The pandemic has played a huge part in this scenario and has affected most if not all companies in the same way, he added. Labor issues, compounded by the pandemic, have continued to be extremely troublesome and have led to lower efficiencies and productivity, he pointed out.

“We are unsure as to what 2021 may bring,” he said. “We plan to continue to play a major role in the medical apparel arena, and in our other major product lines, but closures of finishing plants and other unexpected and negative events in our industry continue to weaken all of us



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as a whole. We are preparing by continuing to look for every possible opportunity and will not turn away from any without giving them full consideration ... even if it does not exactly fit our profile.”

Factors that may impact business outlook, Hopkins added, is a new administration in Washington and its effect on the economy and the industry; the continuation of the pandemic and the distribution of the vaccine(s); the continued issues with labor and its effect on operations; and the general health of customers and others in the U.S. textile supply chain.

“The new administration has indicated that it will continue to apply pressure to China with regard to ‘fair trade,’ ” Hopkins said. “If that in fact is the case, we believe that the trend will continue as much as it can. But we also believe that there will be a continued shift to other regions of supply who are ‘not China’ rather than choosing to come back to North America. In some cases, there will be limits to the reshoring simply due to a lack of capability and/or capacity that still exists in this region.”

He concluded by saying that it will continue to be a new and fluid environment, and every day will be a new challenge. “It will be interesting, and stressful, and rewarding, and sometimes even fun ... just like always!”

### **Hemingway Apparel**

This was a busy year for cut-and-sew operation Hemingway Apparel, with shortage of PPE during the pandemic being the biggest factor, said President Chris Marsh.

While a lot of uncertainty existed in February and March, the Hemingway, S.C.-based company was fortunate to have remained at full capacity, he added.

While remaining optimistically cautious, the company is anticipating a slightly better year in 2021, Marsh said, depending on the laws and policies enacted by the federal government.

“I don’t think anyone can deny the strength of the U.S. economy pre-COVID,” Marsh said. “The efforts building out the U.S. supply chain mid-pandemic have been phenomenal! However, the uncertainty surrounding the new administration may play a large role in our industry. Regardless of Berry Amended PPE, the domestic apparel and textile industry will likely see some offshoring, if in fact there is a new administration.”

### **Henderson Sewing Machine Co.**

The year 2020 was a tremendously, tumultuous year for Henderson Sewing Machine, its employees and its customers, according to President Frank Henderson.



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“In the first quarter of 2020 we were experiencing a ‘normal’ year of business and growth over prior year,” he said. “Then the COVID-19 pandemic became a full-force disrupter. Many of our customers quickly pivoted from the manufacture of standard products to the manufacture of PPE goods ... some overnight.”

Henderson Sewing Machine began selling and installing Auto Face Mask machines, Ultrasonic, Hot Air and equipment to manufacture all PPE products.

“Henderson Sewing Machine has been fortunate to increase our sales and broaden our customer base to service many new customers producing millions of PPE products,” he added.

Heading into 2021, Henderson said that a tremendous amount of speculation around what a post-pandemic world will look like exists.

“What is beyond speculation, at this point, is that the post-pandemic world will “look different,” just as the world was different after the attacks of 9/11,” he said. “I believe the supply chains and manufacturing environment going forward will see jobs moving away from China and at least some of those will be relocated into the United States, as the global pandemic has highlighted concerns that the USA has been overly reliant on foreign manufacturing.”

He said he anticipates that over the next year, a vaccine will be deployed en masse, political settling after the election year will occur and business will return to the ‘new normal.’

Henderson Sewing Machine anticipates significant innovative and disruptive technologies that will effect positive change for U.S. manufacturers producing more products within the USA, Henderson posited. End-to-End digitization of the textile supply chain will bring fabric definitions to reality, true 3D design & development will enable rapid, agile and adaptive marketplace corrections, and we’ll see digital virtual sampling, consumer-driven products and personalized products manufactured in digital fast factories (microfactories).

“We are expecting growth!” Henderson said.

And, all of the aforementioned technologies, methods and digital and/or automated process will enable positive changes through the support of Advanced Robotics for Manufacturing (ARM), Automations Ally, ISAACS, SHIMMY IO, SEAMS, SPESA, NCTO, AAPN, IFAI, NCSU and ALL manufacturers determining that collaboration is more important than competition, he added.

“Fortunately,” he continued, “bringing jobs back to the United States is a bipartisan position ... maybe one of the only ones. So, while there may be some political nitpicking when it comes to the specific efforts to support this domestic shift, the biggest challenges to increasing domestic

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manufacturing will be workforce development, manufacturing infrastructure and price of goods produced.”

Henderson also cited a number of challenges facing manufacturers seeking a larger shift back to the U.S.:

1. “Status quo. Manufacturers have to understand that we ALL must think differently, act differently and invest in the future. If our manufacturing facilities look the ‘same/ as they did 10 years ago or 20 years ago or 30 years ago, we cannot be globally competitive.”
2. “It is still cheaper to produce goods in China. However, what is the cost savings of speed to market, no markdowns, little or no inventory, carbon footprint and 30% of your manufactured products going into a landfill each year.
3. “Our manufacturing infrastructure has declined in the USA over the last 25-30 years. Some of this is natural and the result of a changing economy in America, when many textile manufacturing jobs moved abroad. We have to rebuild state-of-the-art manufacturing that are digital, robotic equipped, vision integrated, highly automated and can compete with the world.”

### **Hickory Brands Inc.**

From Hickory Brands Inc.’s (HBI’s) perspective as a U.S. manufacturer for the footwear, sporting goods, fashion and outdoor industries, the early months the pandemic exposed global supply chain issues to the greater public for the first time, according to CEO Daniel Bizzell.

Then, just as new demand and requests came from new customers for its USA-based production, rolling shutdowns and retail closures promptly stalled requests, he added. In the late second and third quarters, its retail partners became very conservative and its team sports business came to an almost complete halt, he noted.

“While all of this was occurring, we saw a new demand for our cord, webbing, braid and production used to fulfill supply chain interruptions by our global partners,” Bizzell said. “Additionally, our Ten Seconds ( 10’ Seconds ® Brand ) disinfectant + deodorizer ([www.tenseconds.com](http://www.tenseconds.com)) went through a renaissance in consumer brand awareness, after years of being behind the scenes as a staple in sports, locker rooms, gyms and sidelines. Product demand for this proven surface disinfectant went through the roof.”

All of the above scenarios allowed HBI, based in Hickory, N.C., to pivot and ultimately accelerate plans it had for its 100th year anniversary, he added.

“You will see our current, legacy and new brands becoming more consumer facing over the next 12 months while we bolster our finished goods business with new plants/factories and



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operations to service the performance sports wear and accessories industries, which have grown dramatically during the pandemic,” Bizzell said. “While this is occurring, the pivot is allowing us to assess our OEM, Contract and Licensed production where we will be bringing new processes and scalable technologies to our OEM and component divisions.”

He noted that he expects 2021 to remain a conservative year for retailers in some categories of goods such as dresswear, events and items related to travel. While gear and accessories related to the outdoors – whether it be for simply dining in cooler temperatures or for socially distanced adventure – will grow, he said. “This coincides well with our growth strategy, new business and brands we have coming online in early 2021,” Bizzell said.

With both remote working becoming a long-term option for some companies and the expectation that many consumers will crave outdoor activities such as cycling, hiking and camping, encouraging results may emerge, he added.

“We can see a positive arc in what we have all endured over the past year,” he said. “As an example, we ultimately hope a bike commuter who in the past, may have relied on mass transit, will become a lifelong customer and user of our products.”

As U.S. manufactures have seen production and reshoring demand grow dramatically over the past four years, Bizzell said he hopes the buildup and awareness is not lost under a new administration.

“Though we firmly believe global awareness and purchasing habits of consumers truly impact U.S. production, we do see trends that move this forward regardless of an administration’s political status,” he said. “Any group that brings a high-quality product that lasts longer, and a consumer who is proud to be a part of it, will continue to grow. Our hopes are that political agendas do not cripple USA manufactures who will be critical to a well-rounded, sustainable and healthy economy for all Americans. We are just in the mist of the ultimate consumer generation transitioning to the meaningful brand and product consumer.”

## **Jason Mills**

As with the start of any new year, Jason Mills, Milltown, N.J., was optimistic for continued growth in 2020, according to Brenda Stamboulian, director of Sales & Marketing.

In January, when COVID-19 became an issue in China, the company increased purchases on raw materials (yarn) as it braced for delivery delays. The company – as did all – hoped that this would only be for a short period of time, she said.

In March, the government-imposed shutdown allowed Jason Mills only to produce essential materials from its facility. This reduced revenue in March and April by approximately 25%. In



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May, production restrictions were lifted and the company was able to service all of its customers – not just the ones deemed essential, she said. The company has fallen short of its pre-COVID goals, but “to look at the entire picture we were fortunate to maintain our business and our staff,” Stamboulian said.

The company is anticipating a better year ahead, the key being in forecasting and planning, she added. Customers have to be able to forecast their needs, she noted. “Our obligation is to base our inventory on those forecast and blanket orders,” she said.

The pandemic wreaked havoc at every level of the supply chain, she pointed out, and the ability to source and secure raw materials is the single biggest challenge and will play a major role in how Jason Mills performs in 2021, she said.

“I’m optimistic that the economy will bounce back once COVID is brought under control,” Stamboulian said. “If so, U.S manufacturing will be part of that. The new administration will work towards recommitting to global trade partnerships while enhancing ‘buy American’ rules for certain products. Reshoring still depends upon the basics – increased automation and low energy costs.”

## **LACorp**

For cut-and-sew provider LACorp., Lebanon, Va., the first half of 2020 was very slow, even before the pandemic caused so many disruptions, said President Jeoff Bodenhorst Jr.

Since having the opportunity to assist with PPE producing both isolation gowns as well as face coverings, its business has been increasing every month. It started with the needed PPE production, but then began to transition to many existing and new customers needing products to fulfill their online orders. The demand for products being sold online has reached levels not thought possible in such a short period of time, he added.

This pandemic has really accelerated a transition in consumer habits more toward the convenience of online purchasing.

“We are finishing the year at production levels not seen in many years,” Bodenhorst said. “Demand is still strong across many different market segments for domestically sewn items.”

He added that LACorp is expecting demand to stay strong into 2021. The first quarter looks like it will be much stronger than the first quarter of 2020, he added, and “we hope to continue to build upon that base as the year unfolds.”



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The shift towards more consumer purchasing online does not look to be slowing down in the near term, he pointed out. There is also many more buyers looking to produce items in America for its markets, he added. The pandemic has caused many to examine their supply chains and add some capacity either onshore or near shore to help offset risk caused by supply chain disruption like the coronavirus caused during much of this year, he said.

“I believe the time is now for all areas of domestic sewn products supply chain production,” Bodenhorst said. “We are seeing more opportunities than ever before across all different product categories. Businesses of all sizes are looking for a more regional approach to their manufacturing and also looking to diversify against potential future supply chain disruptions. I see examples of companies in our industry investing in equipment as well as physical space. This shows evidence of others believing in continued opportunity ahead for the domestic sewn products industry.”

He added that 2020 was a tough year for everyone to navigate, but a silver lining of the pandemic has been renewed interest and recognition of the importance of a strong domestic sewn products supply chain to assist the country in time of need.

“I am so proud of the efforts of our industry to respond to the challenges of the virus by collaborating to achieve some remarkable results in PPE production in a very short amount of time,” Bodenhorst said. “The whole supply chain worked in unison, sharing ideas and knowledge for a common goal. This achievement opened all of our eyes to the possibilities of a much stronger network of sewn products suppliers working together to lift the industry moving forward. As a result, there is renewed interest in making products in America again and I believe our industry will rise to the challenge and take advantage of these new opportunities.”

### **Lefty Production Co.**

Los Angeles-based Lefty Production Co. was “blessed” this year with the opportunity to produce millions of pieces of PPE, including isolation gowns, face masks, shoe covers and caps for hospitals, government agencies and medical supply companies all over the country, said company co-founder Marta Miller.

“Sadly many of our fashion clients have struggled this year, but at the same time, the ones with the best online presence and customer engagement have grown tremendously and are going strong heading into 2021,” she said.

Miller added that she would love to continue to see the U.S. healthcare system invest in U.S.-made products.

“If it could provide consistent demand, the infrastructure could be built out in a big way,” she said. “We all saw how important it is to be able to produce essential items here at home. The



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temptation for the hospitals to go back to cheaper products made overseas is strong and we've already seen that."

In terms of Lefty's fashion clients, she said she expects a great 2021, as some of them are "truly exploding" right now. "It is such an incredible experience to see these brands come in the door so early in their development and then just really connect with their consumer and blossom," she said.

Going forward, Miller said she obviously hopes for an end to the pandemic and less of a need for all the extra PPE. But the big question mark right now is how much hospitals and the government are committed to building the U.S. supply chain to support domestic manufacturing, in general, and to make sure the country is prepared if and when there is another health crisis, she added.

"We have seen a ton of interest in reshoring for all kinds of reasons, and we believe brands are really appreciating the advantages," she said. "They get way more control over their process, much faster turnaround times and the ability to order is smaller quantities. This is so essential because it means they can be responsive to their customers instead of building up huge amounts of inventory that have has to be discounted later. Most importantly, America is SUSTAINABLE!"

Miller added that almost everybody in America agrees that making things in the U.S. is a good thing, so she hopes to see that continue to translate into government policies and purchasing decisions.

"We are very optimistic because we believe that the U.S. supply chain is essential and that people are recognizing that," she said. "We're also so excited to see our clients' continued growth in 2021 and to bring amazing new designers and brands into the Lefty family."

### **Llovet Sales Company Inc.**

Llovet Sales Company Inc., Nashville, Tenn., showed slightly lower levels of revenue the first quarter of 2020 compared to 2019, said President Jim Jackson. From there, as businesses and customers shut down, business dropped "off the charts," he said.

The company covers a number of sectors, including embroidery supplies, apparel interlining and buttons, industrial nonwovens for lamination, automotive and bedding. It has a complete converting facility with computerized flatbed cutting and sheeters, rewinding and slitting and specialized converting.

"Our business is based here in the States, Central America and Mexico, and all of these countries shut down for at least three months and did not regain momentum until early



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August,” Jackson said. “Since August we have seen revenues rebound above 2019 levels across most of the industries we service. So the pandemic has been the largest factor for us in 2020.”

He added that he anticipates a strong 2021 based on the last four months of 2020. “There are dynamics under way in this country that are very favorable for the Southeastern and Southwestern areas of our country,” he said.

The greatest prospects for the textile/apparel industries are in the medical and related industries, Jackson said. “This has happened out of necessity,” he said. “However, I do not necessarily believe that a mass reshoring of opportunities exist for mass-produced garments. Specialty garments, military and smaller fashion run production goods do have a place in the States, if the consumer of the goods is willing to pay a bit more for these items. It looks like the direct-to-consumer model has been good. But we have seen some of these businesses close this year as well.”

Asked what a new president would mean for the domestic textile/apparel industry, he posited: “As far as the new administration, related to our industry, the horses were let out of the last barn back in the mid-1990s. So administrations come and go, and have very little effect on the textile and apparel production in the domestic market, in my opinion.”

### **MMI Textiles, Inc.**

The pandemic brought a whole new line of business in the PPE realm to Westlake, Ohio-based MMI Textiles, a converter of a wide range of textiles, Inc., said National Account Manager Geoff Senko.

“There was a sharp learning curve we all had to endure, both personally and professionally, but the MMI team did their best to overcome all of the obstacles presented to us,” he said. “This is a permanent addition to the MMI line of products and we hope the U.S. supply chain will receive the support it needs to provide the PPE needed for our frontline workers and communities as a whole.”

Senko added that the company prides itself on its ability to maneuver ahead of situations. “Hopefully, as previously mentioned, the U.S. supply chain will receive the support needed from our medical industry so we can be a reliable source for PPE products,” he said.

Trade agreements and laws similar to the Berry Amendment will obviously affect the PPE supply chain, he noted.

“We hope to continue to be a part of the strong reshoring efforts that have taken place in the PPE market, and we look forward to those continuing under the new administration,” said



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Senko, whose company this month announced that it will open a narrow fabric production facility in Lenoir, N.C.

“We’re always optimistic at MMI, he continued. “We have always prospered under any circumstances and that is due to the leadership we have in our organization. We feel we have the foresight, flexibility and product line to stay relevant through any climate. Our partnerships with our customers is like no other that I’ve seen in the textile industry. We try to stay in front of their needs and express our will to accomplish their needs above all else.”

### **Soft-Tex International**

Soft-Tex International, a manufacturer of luxury pillows, mattress toppers, mattresses and travel accessories specializing in memory foam, expects 2020 to finish flat compared to last year, but with a hefty mix shift towards ecommerce, according to Taylor Jones, vice president of Marketing & eCommerce, who is based at the company’s Charlotte, N.C.-area executive office in Mooresville, N.C.

Ecommerce has been strong throughout the year, helping balance out a lower brick-and-mortar side of the business, which was hurt by the cancellation of POs at the height of the pandemic by many retailers. Plus, the company experienced COVID-related supply chain challenges at the end of the year due to unprecedented demand, which left sales on the table that will shift to Q1 of 2021, he added.

“We are forecasting our best year ever as a company!” Jones said. “We have some very exciting new product releases and brand launches that will have major impact across all channels. For the larger audience on trends, we believe as the world is able to reopen with the propagation of a vaccine, consumers will begin traveling again. This is significant as during the pandemic, Soft-Tex’s and an industry consumer research study showed a huge shift in travel spending, which consumers diverted to nesting spending on home comfort products like bedding, mattresses, etc.”

As consumers begin traveling again, home products spending will taper somewhat as consumers dedicate more toward more travel spending, he added.

“In terms of sales channels, we believe sales will continue to shift more online and while stores will regain momentum, consumers absolutely value the convenience of online shopping,” Jones said. “Our research of 5,000 consumers shows a 5x boost in the mix of people who currently have a mattress purchased online to those who would be strongly considering ‘ecomm’ as the sales channel to buy their next mattress.”

Jones said he believes the renewal of domestic manufacturing is trending given the many advantages in times of heightened geopolitical uncertainties from tariffs, antidumping and



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many other considerations incumbent to foreign supply chains. The speed and constant flow of goods from domestic sources provides retailers security and better service to the end customer, he continued.

“At Soft-Tex, we are heavily investing in domestic manufacturing with both owned and partner factories and have a stated goal to expand domestic production by at least 20% per year over the next five years,” Jones said. “In 2020, we more than doubled our production capacity.”

### **Sonrise Apparel Services, LLC**

Based in Dallas, Sonrise Apparel Services, LLC saw a significant increase in business – a record year, in fact – this year due to the pandemic, according to owner Nicole Beavers.

And the company, which provides vertical cut-and-sew services, is expecting an even better year in 2021, she added.

“More opportunities have arisen from the COVID-19 situation, and there are bigger contracts to be a part of,” she said. “Also, there are new products being developed due to the situation and are being manufactured in large quantities.”

Under the current presidential administration, the future for manufacturing in the U.S. is “very hopeful,” Beavers said, adding that when the new administration has been determined, “then we will review our business plan again.”

She then added: “Anything is possible for the future!”

### **Thomaston Mills**

Home textiles producer Thomaston Mills, based in Thomaston, Ga., saw business sharp decline in 2020, as its company’s largest end users are hotels, according to Chief Marketing Officer Timothy Voit.

The company did see a recovery in the second half as some major distributors reshored some of their program business due to supply chain disruption and saw a U.S.-based manufacturer as a more reliable source. Thomaston also saw 400% growth in its American Blossom “farm to bed” 100% USA-made linens for the home, driven by ecologically and socially minded customers.

“After a very slow first quarter, we are anticipating a strong recovery in demand beginning in the second quarter as the vaccines are rolled out and the pent-up demand, particularly for leisure travel, surges,” Voit said. “We are investing in productive capacity for certain lines, especially in the luxury/boutique hotel sector and for our American Blossom program.”



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The pace of recovery rides on the success and speed of the vaccine implementation, which will allow the pent-up demand for vacations, weddings, family visitation and just getting out of the house to surge, he added.

“We still expect business travel demand to be depressed but are strongly positioned in the leisure sector among independent and boutique hotels that care about quality and responsible supply chains,” he said.

Under a new administration, the company expects that the “old normal” where the “China price” drives all business to that source to not return, he said.

“If there is any common ground now in American politics, it is the realization that we have done ourselves no favors by becoming extremely dependent on China,” he said. “We are not naïve. Low-priced import competition enabled by poor environmental standards and cheap labor in Asia will still be a major factor holding us back, but the continuing disruptions of 2020 have opened a door to new opportunities to make textile products in the USA.”

Voit added that the company hopes that the new administration’s stated goal of setting up a USA-made supply chain for PPE and medical products is accompanied by a focus to boost the Berry Amendment and make the Defense supply chain for all textile products self-reliant as well.

“The ugly truth is on the ground,” he said. “Our national security supply chain depends in large part on countries with whom we have fraught relationships. I am hoping this year’s harsh spotlight has a lasting effect on our trade and government purchasing policies.”

## **Trans-Tex LLC**

The majority of Trans-Tex LLC’s business is event-related, so the cancellation of trade shows, sales meetings and sports events had a significant negative impact on its business, said CEO Michael M. Woody. Most of its business that is not event-related has been stable to slightly down, he added.

Certain isolated markets such as pet products has actually increased, he said. “I have heard that textile companies in the marine trade are thriving, but we are not involved in that market,” he said.

Woody noted that 2021 should be slightly better for the Cranston, R.I.-based company, as he expects events to gradually come back over the second half of the year. “Our Plan B is to continue to look for niche markets that are not event-related,” he said.



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Regarding a new presidential administration, Woody said he would urge President-elect Biden to maintain an aggressive stance against China.

“Just today, I saw that the Trump administration instituted a ban on cotton coming from China’s Xinjiang region because of the human rights abuses taking place there. The ban even extends to end products made from that cotton, but manufactured in another country. That’s an appropriate move. It’s important that we understand the dangerous strategic threat that China poses – both economically and militarily. For example, Congress should quickly pass legislation ensuring that we have a robust domestic supply chain for PPE. If we don’t take at least that step, then we’ve learned very little from this pandemic.”

Regarding the future, Woody said he is both optimistic and concerned.

“I remain optimistic about the ability of U.S. manufacturers to adapt to new realities, particularly if the pandemic shortens geographic supply chains,” he said. “My biggest concern is that the Biden administration will take a soft approach to China.”

### **Unifour Finishers, Inc.**

This has been a challenging year for Unifour Finishers, Hickory, N.C., although business remained about the same as 2019, according to President Rick Setzer.

Due to the pandemic's impact, the company saw a slowdown in March and April. However, May rebounded, and the company has experienced consistency since May, he added.

“I believe that 2021 will be a better year overall,” he said. “Once we get through winter and the vaccine is more widely distributed, there will likely be fewer fluctuations in the supply chains and distribution channels.”

Naturally, COVID-19 and its impact will affect Unifour’s strategy going forward, and its primary goal is to keep its employees – a key, integral part of the operation – healthy, Setzer said.

“Overall, I am optimistic about the future of textiles in the USA,” he said. “Since travel is somewhat limited, I believe people have been and will continue to concentrate their spending more on household items and clothing, at least for the foreseeable future. This should fortify and strengthen the textile industry.”

### **Unionwear**

Because PPE carried Newark, N.J.-based Unionwear through its state’s lockdown period, and the presidential election merchandise business was strong when it reemerged from lockdown, the company remained flat from 2019 to 2020, according to President Mitch Cahn.



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“It was disappointing since we were planning on a monster year, but in retrospect, it could have been a lot worse,” said Cahn, whose company at the onset of the pandemic shifting all of its production into PPE such as shields, gowns and masks for communities and hospitals around the country.

Going forward, he said he expects weak first and second quarters and, without a national election to fall back on, it is nearly impossible to compete with China on PPE.

“Our event business and the fashion accessories business are both going to suffer until the economy comes back,” Cahn said. “We do a lot of government work, so any stimulus spending could help. When the economy does return, we expect pent-up demand to offset any losses experienced in the first half of the year.”

Unionwear’s promotional products rely on business meetings and its fashion products rely people socializing – but none of that is going to happen until the vaccine is distributed widely enough for people to return to old behaviors, he said. “But even then, we don’t know if there will be conventions or the volume of events that occurred pre-pandemic,” he said.

The domestic textile industry will get a shot in the arm from some attention paid to preventing supply chain disruptions, he added. But outside of the Berry Amendment-type of legislation, Cahn said he is yet to see a government policy meant to increase reshoring that didn’t backfire. Perhaps requiring the federal stockpile of PPE to be domestically manufactured would help, he noted.

“Domestic sewers who survived China – and Walmart and Amazon and the recession – and the pandemic can survive anything,” he said.

### **Venus Group, Inc.**

While the level of business was naturally lower due to the pandemic, Venus Group will finish 2020 in a healthy state due to its ability to pivot to supply its customer segments’ PPE needs, said Sales Manager Jeyur Patel.

The company, based in Foothill Ranch, Calif., with additional cut-and-sew operations in Fort Lawn, S.C., specializes in a wide range of textile products, including naperies (linens, tablecloths, napkins, etc.), towels, sheets and more for numerous markets, including restaurants, laundries, hotels, hospitals and government applications. The company is a longtime manufacturer of healthcare textiles, so Venus leaders knew that PPE production was “in its lane” when the urgent need hit, according to Patel.



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“Next year will very likely be better based upon projected restaurant reservations and hotel occupancy rates,” he said. “We are preparing by constantly gathering market intelligence from our sales teams and supply chain teams.”

The pace and ability of the business and the economy to bounce back depends in part on how effective the vaccines will be and how successfully they will be distributed to those with the greatest need, Patel said. Plus, federal and state policies on keeping businesses open or not and to what level, and how obedient American are to those policies will play a large role, he added.

Related to prospects for U.S. manufacturing going forward, he said it always will be based primarily on costs, which are higher in the U.S., and as a consequence the prices the market is willing to bear, assuming these higher costs need to be passed on to customers.

“I do not think the private sector will bear a higher price to support domestic manufacturing due to the higher cost of U.S. manufacturing,” Patel said. “I think, however, that the public sector (i.e. government agencies) will bear a higher price, to a point. As such, I do not see it returning to the U.S. in a meaningful way. Overall, economies transition in one direction from agriculture-based to manufacturing-based to service-based and so forth for fundamental reasons, which are difficult to reverse, unless the government provides sufficient subsidies.”

### **Anonymous apparel manufacturer**

A manufacturer that asked to remain nameless said it pivoted from apparel production into the manufacture of reusable gowns to help with the PPE shortage during the COVID-19 crisis.

Because PPE is now more readily available, the company is not able to find more needs for the product, the spokesperson said. “Yet, we read in the news the great demand continues for PPE, especially for smaller medical businesses. We feel much of the medical industry has returned to purchasing from China.”

She added that she is hoping for more PPE production in the new year, as it has all the equipment and employees to help supply the nation as the pandemic continues.

“But we believe that after the recent election, this country will return to China for its PPE needs,” she said. “The USA has allowed most of its industry to go overseas. We are no longer self-dependent and this is a concern to us.”

### **Anonymous military supplier**

A supplier to the U.S. military that wished to remain anonymous reported that being a relatively new company experiencing rapid growth over the last three or four years, its trajectory was



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already on an upward path going into this year – and the company is on track to double its sales from 2019.

“We have a very meticulously planned growth trajectory and have been able to accomplish every milestone up to this point due to our expanding manufacturing force,” she said. “We do think the ‘hype’ regarding COVID and protests/demonstrations in the country contributed to some demand, but it is hard to gauge how much it really was part of it.”

The company is preparing for continued growth in 2021, with the biggest hurdles to accomplishing those goals being the availability of contract manufacturers to utilize and the rate at which the firm can continue to expand its own production force, she said. “We are preparing by continuing to do everything we can to prioritize our production force growth if we cannot rely on contract manufacturing,” she said.

The biggest factor beyond the company’s control is COVID shutdowns for contract manufacturers. The other big factor on the other side of the company is firearms legislation under a new administration, which could drastically affect the company, she said. Heavy regulation on small businesses under the new administration is also on company leaders’ radar, she added.

“As an American manufacturer, we were very encouraged to see the shift that started to occur during COVID of moving back towards American manufacturing,” she said. “Before COVID occurred, we felt this shift was already slowly happening under the Trump administration. We hope to see this resurgence continue to grow in American manufacturing, but are concerned that the incoming administration will not help a lot of these manufacturers who are usually small businesses, if heavy regulation starts to appear in regards to minimum wage and unionization.

Lauding industry colleagues that did their part to address the shortage of PPE, she added: “It has been very exciting to see many textile manufacturers really take the reins during the pandemic. Kudos to all of them!”

### **Anonymous manufacturer**

A producer who wished to remain anonymous experienced large growth in two of its main markets – commercial / industrial filtration & medical masks. This volume growth represents a 30% increase over 2019.

The company said it expects 2021 to be comparable to 2020. To accommodate growth in 2020, the firm added additional production shifts and hired more than 20 team members to sustain the growth it experienced, the spokesperson said.



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Going forward, the company's biggest growth factor will be optimizing its newly added production shifts. In addition, manufacturer is evaluating investing in new capital to increase its production capacity to further meet future market demands.

"We expect strong demand for nonwovens for the next three to five years as product lines are 'reshoring back into the U.S.'" the spokesperson said. "We are positioning our company to increase our capacity by investing capital to meet the future market demands. Beyond the initial growth, companies will need to carefully consider the potential impact of excess capacity in the later years."

The spokesperson added that the company believes growth is going to be substantial over the next few years, so they are overall optimistic.

### **Anonymous textile converter**

A textile converter who asked to remain nameless reported that 2020 was expected to have a decent sales increase over 2019, but that changed quickly with sales beginning to decline starting in March and many customers switching over to PPE manufacturing. That put an immediate halt to fabrics the company sells, she said.

"We are planning the year to start the same as poorly as 2020, with a hopeful increase as the year continues," she said. "Overall, a flat year is expected."

A number of factors will play a role, she added, including how fast the country will rebound from COVID-19, the impact of the vaccines, the ability of its customers to bounce back to normal, travel restrictions, customer restrictions, etc.

"We're not quite sure yet what the new administration will create, mandate or change," she said. "We're not sure what the rules will be for China going forward as it relates to tariffs and duties. More needs to be done to keep or bring back textile manufacturing to the U.S. It's too early to tell with a new administration coming."

### **Anonymous industry consultant**

An industry consultant who asked to remain anonymous said his business has been "crazy" this year. The year began with preparation for a soft opening of a job training/apparel manufacturing engagement in the Midwest. By mid-March, that proposition changed to gearing up for PPE mask and gown production – with a "hair on fire" approach to the start-up, as he described it.

"Within four weeks, we were producing gowns for local hospitals and investing in and implementing automated welding equipment for medical mask production," he said. "Calls for



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my consulting/resulting ‘services’ then began to come from various parts of the Midwest and the West, all for PPE mask and gown setup and efficiency support. As the year approached the fourth quarter, I saw many more inquiries for traditional apparel manufacturing start-ups, but with the COVID-19 resurgence, once again there are more inquiries for PPE support.”

He added that he expects that there will continue to be support requested for PPE production, at least for the first half of 2021 and especially for gown production.

“In many cases, the gowns are difficult to work with due to size and the rigid, non-flex fabrics that are required for the finished products,” he said. “U.S. companies will continue to look for cost-effective solutions in order to meet the low-cost requirements of the market, especially in cities and states where living wage requirements are such that the cut, sew and package per piece costs are automatically higher than other parts of the country.”

Going forward, he said he believes that apparel and textile manufacturing will be affected by three factors: trade relations and agreements; minimum and living wage expectations; and workforce development.

“I continue to see more start-ups and established companies show interest in internal manufacturing, especially with groups who require minimal volume,” he said. “For the start-ups, the primary challenges are getting past the initial shock of the complexity of the processes – and for both, it’s finding or creating a solid workforce. The challenge of our industry is to change the perception of the textile/apparel manufacturing side of the business, to help the younger generations accept that the industry as a whole can be a challenging and exciting career choice.”

He added that while there are many experienced professional apparel and textile workers in the U.S., many of them immigrants, they are clustered in certain parts of the country. At the same time, the key is a strong, unbiased look into legal immigration processes and work visa programs that would allow for these skilled, professional apparel workers to fill the current voids and help create a balanced foundation for success and support the continued movement to become self-reliant and depend less on offshore manufacturing.”