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Softwood Duty Announced
Economic Impact Estimate

A-1 Pallets Featured in Pallet Enterprise Economic Impact Estimate
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WPA Member News
A-1 Pallets was featured in the April edition of Pallet Enterprise magazine. PRS Group launched its new website.

Countervailing Duty
The U.S. Department of Commerce announced its preliminary determination.

Economic Impact of the New Softwood Duty
The National Association of Home Builders assesses duty impact.

North American Softwood Prices
Softwood price trend information, as provided by NRCAN.
Membership Drive
This year’s membership drive is already in motion.

April 2017

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Other Features

11 Economic Impact of New Softwood Duty
15 Spanish Associations Promote Wood Packaging at Fruit Logistica
17 Online Petition to Promote Duty Exclusion for Pallet Kits
19 European Wood Container Carbon Footprint Tool Updated
20 Are Pallets the Most Promising Greenfield Application for IoT?
21 Further Reading
22 Catch Up on Back Issues

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Wood is recyclable. The recycling of wood pallets and wood packaging material is being accomplished at a very high level throughout North America.

Recycling takes place throughout the product use cycle. New pallet manufacturing is only one part of how pallets are used. The pallet usage cycle also involves recovery and reuse of pallets that are in good condition as well as the repair and reconstruction of damaged pallets. Pallets can also be dismantled and the lumber used to remanufacture new pallets.

With the application of grinding, wood pallets and components that are at the end of their useful life end up in fiber based products such as landscape mulch, animal bedding, soil enhancements, wood particle board or are used in bioenergy.

This model of reuse delivers wood packaging materials and pallets that make multiple trips before they reach the end of their useful life, therefore minimizing waste generation and reducing overall consumption of wood fiber.

NORTH AMERICA
In 2011, 416 million new pallets were manufactured. In the same year, 474 million pallets were recovered out of which 326 million pallets were reused as pallets, with the remaining 148 million recycled to become other reprocessed products.

Use of recovered wood in pallet manufacturing is growing at a high rate while use of new lumber for wood pallets has remained unchanged. In 1992, recovered wood use was 1.02 billion board feet of lumber, in 2011, this number had increased to 5.25 billion board feet.

To claim that a product is recyclable there should be recycling facilities available to at least 60 percent of the consumers where the product is sold. In the United States there is a comprehensive network of pallet recyclers serving the industrial and retail marketplace that far exceeds the 60% requirement.

In Canada there are in excess of 80 recycling companies servicing every market sector in the country, far exceeding the 60% requirement.

---

3. Search the NWPCA Directory and WPA Recyclers Directory
4. Search the CWPCA Recyclers Directory

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PRS Group Announces Extreme Website Makeover

PRS Group recently announced a major website makeover. To check it out, visit www.prsgroupinc.com.

A-1 Pallets Featured in Pallet Enterprise Magazine

A-1 Pallets of Kent, Washington was recently recognized as the cover story in the April edition of Pallet Enterprise Magazine. (Click here to read.)

"Amrik Randhawa is a true American immigrant success story who has created a growing pallet company in the West for his family," writes Chaille Brindley. "The right automation from SMETCO has helped the company boost productivity."

Amrik started his business with a truck and a few employees back in 2002, and today A-1 Pallets is one of the largest pallet companies in Washington.

The Membership Drive Is On!

This year's membership drive is now underway, and as always, the competition will be intense.

In addition to valuable cash prizes, the winner now also receives the membership trophy, presented at the Annual Meeting. With the highly successful 2017 Annual Meeting now in the books, it is time to work toward 2018.

When you recruit new members, the entire WPA membership is the winner!

New members can join and pay on the website. Here is the link: www.westernpallet.org

"Amrik at center, with sons Gurshan (left) and Jobhan (right). Source: Pallet Enterprise."
U.S. Secretary of Commerce Wilbur Ross has announced the preliminary determination in the countervailing duty (CVD) investigation of softwood lumber from Canada.

The Department of Commerce (DOC) preliminarily determined that exporters of softwood lumber from Canada received countervailable subsidies of 3.02 percent to 24.12 percent. In 2016, imports of softwood lumber from Canada were valued at an estimated $5.66 billion.

As a result of the April determination, DOC will instruct U.S. Customs and Border Protection to collect cash deposits based on these preliminary rates. Also, since DOC determined that critical circumstances exist, certain companies will be subject to the retroactive collection of cash deposits.

The petitioner is the Committee Overseeing Action for Lumber International Trade Investigations or Negotiations (COALITION), which is an ad hoc association whose members are: U.S. Lumber Coalition, Inc. (DC); Collum’s Lumber Products, L.L.C. (SC); Hankins, Inc. (MS); Potlatch Corporation (WA); Rex Lumber Company (FL); Seneca Sawmill Company (OR); Sierra Pacific Industries (CA); Stimson Lumber Company (OR); Swanson Group (OR); Weyerhaeuser Company (WA); Carpenters Industrial Council (OR); Giustina Land and Timber Company (OR); and Sullivan Forestry Consultants, Inc. (GA).

The CVD law provides U.S. businesses and workers with an internationally accepted mechanism to seek relief from the injurious effects of unfairly subsidized imports into the United States.

**Cont’d on Page 10.**

**Other Coverage Page 11 (Economic Impact) and Page 17 (Pallet Kit Petition).**
Unless the final determination is postponed, Commerce is currently scheduled to announce its final CVD determination on September 7, 2017. This final determination will be based on the verification of the information provided to the Department for the preliminary ruling, comments by the parties and further analysis.

If DOC makes an affirmative final determination of subsidization and the U.S. International Trade Commission (ITC) makes an affirmative final injury determination, Commerce will issue a CVD order.

If the Department of Commerce makes a negative final determination of subsidization or the ITC makes a negative final determination of injury, the investigation will be terminated and no order will be issued.

DOC is still considering U.S. industry claims that Canadian lumber is also dumped in the U.S. market. Dumping duties are added to countervailing duties imposed to offset subsidies. A preliminary antidumping ruling is scheduled for June 23, 2017. Click here to read the Department of Commerce fact sheet.

Cont'd on Page 16.
Economic Impact of New Softwood Duty Calculated by the National Association of Home Builders

The National Association of Home Builders (NAHB) has responded to the Department of Commerce levy of a 19.88% duty rate against Canadian softwood lumber exports to the United States.

NAHB calculates that the annual impact of the 19.88% duty, if in effect throughout 2017, would result in the following losses:

- $498.3 million in wages and salaries for U.S. workers,
- $350.2 million in taxes and other revenue for governments in the U.S., and
- 8,241 full-time U.S. jobs.

While many jobs are in construction, the effects are not limited to a single industry. Wages and jobs are also impacted through companies that provide other services to the industry. While some jobs are gained in the U.S. sawmill industry, NAHB notes, this is almost entirely offset by losses in other manufacturing industries.

NAHB further stresses the losses of wages, jobs and taxes shown above are net losses, after accounting for benefits to the domestic sawmill industry. Additional 2017 impacts of the 19.88% duty are predicted to result in the following:

- reduction of 1.2 billion board feet in Canadian imports,
- increase of 834.4 million board feet in output of U.S. producers for the domestic market, and
- 6.4 percent increase in the price paid by U.S. customers.
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12 WESTERN PALLET
North American Softwood Prices

Weekly softwood lumber prices to April 25, 2017 are shown below, sourced at http://www.nrcan.gc.ca/forests/industry/13309.
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Spanish Associations Promoted Wood Packaging at the Fruit Logistica Show

The wood packaging community had a strong presence at the recent Fruit Logistica Show in Berlin, according to a recent announcement from FEFPEB.

Company representatives from Spain, France, Germany, Italy, Morocco, etc. and branch suppliers were able to explore business opportunities and talk about challenges.

Wood is associated with natural and premium quality produce and it is specially appreciated as a sustainable selling unit and when long distance cool logistics demand that packaging performs well in wet conditions.
More on Softwood: Coalition Responds Positively, Yurkovich Questions Lobby Interests

Cont’d from Page 10

"Today’s ruling confirms that Canadian lumber mills are subsidized by their government and benefit from timber pricing policies and other subsidies which harm U.S. manufacturers and workers” said U.S. Lumber Coalition Legal Chair Cameron Krauss, Senior Vice President of Legal Affairs of family-owned Seneca Sawmill in Eugene, Oregon.

“We appreciate today’s actions by the Department of Commerce, which has examined massive amounts of evidence presented by the Coalition, the Canadian industry and the Canadian Federal and provincial governments.

"The Coalition is hopeful that the duties imposed by today's decision will begin the process of creating a level playing field for the future and allow for U.S. manufacturers to make essential investments and expand the domestic lumber industry to its natural market and protect and grow the jobs that are so essential to our workers and our communities," added Krauss.

In Canada, Susan Yurkovich, president of the BC Lumber Trade Council, said the U.S. trade measures are arbitrary and will harm U.S. consumers through higher home construction prices.

Yurkovich noted that the U.S. produced 32 billion board feet of lumber in 2016, but consumed 47 billion board feet. She said that Canadian producers are necessary to fill the void.

“We now have this new trade action being driven by the same protectionist lumber lobby in the U.S. whose sole purpose is to create artificial constraints on Canadian lumber to drive up prices for their benefit at the expense of American consumers,” Yurkovich said.

In a statement Canadian Prime Minister Justin Trudeau "refuted the baseless allegations by the U.S. Department of Commerce and the decision to impose unfair duties," noting the two leaders had previously agreed on the importance of reaching a negotiated agreement.
Online Petition Looks to Exclude Pallet Kits from the Scope of the Investigation into Softwood Lumber from Canada

A petition has been initiated to give a voice to American companies and individuals who would be negatively impacted should the U.S. Department of Commerce (DOC) decide to include "unassembled finished pallets" (pallet kits) from Canada in the scope of their ongoing investigations into certain softwood lumber products from Canada.

The purpose of this petition is to convince the U.S. Lumber Coalition, DOC and the International Trade Commission that "unassembled finished pallets" (pallet kits) should be left out of the current scope of the investigation as they were in every previous softwood lumber dispute.

The petition states that the majority of U.S. pallet manufacturers use Canadian pallet kits, which are produced from low grade industrial lumber (#3 and Economy/#4). This industrial lumber is a by-product of sawmill production of construction grade and framing lumber and its availability is inherently limited. Supply of industrial lumber from U.S. sawmills is also extremely limited and further restriction (ie. Including unassembled pallet kits in the scope) will lead to a significant shortage in supply. As a result of duty, the petition suggests that the U.S. pallet manufacturers could lose market share to pallet rental/pooling companies and alternative products (corrugated cardboard pallets/plastic pallets).

The petition currently has 77 supporters as we go to press, including some WPA members.

The petition website can be visited at this link.
The Pallet Foundation Raises Record $238,000

The sixth annual Pallet Foundation Auction held at the National Wooden Pallet & Container Association (NWPCA) Annual Leadership Conference smashed through previous historical records. The fun-filled two-hour event at the Loews Ventana Resort in Tucson, Arizona raised a record $168,000 for The Pallet Foundation. During the event, the Western Pallet Association (WPA) presented The Pallet Foundation with an additional $70,000 raised at their auction in January, bringing the total amount raised already in 2017 to $238,000.

Governed by a volunteer board of trustees, The Pallet Foundation supports research, education, training, and safety in the wood packaging industry. The Foundation also supports testing, data collection and analysis for the Pallet Design System™ (PDS) and other related research projects.

During their recent March meeting, The Pallet Foundation trustees approved approximately $200,000 for funding new and innovative projects. Trustee Chairman Bob Wenner noted, “Our thanks go out to the members of the NWPCA and WPA. Their strong financial support is further testimony to the importance and value of the Foundation’s work.” Wenner continued, “This year’s record number of projects funded ensure that:
1) We better understand all the environmental benefits that wood packaging provides;
2) We further expand our outreach activities to universities and wood packaging consumers, and;
3) We support the ongoing development of PDS to assure it remains the globally-preferred software technology in the material handling industry.”

NWPCA President/CEO Brent McClendon said, “The association’s membership continues to show tremendous support of the Foundation. Through their support, we are expanding our work on successful initiatives like Nature’s Packaging™, further developing PDS, and delivering solutions to tomorrow’s problems.”
New Additions to European Wood Container Carbon Footprint Tool

In 2014, a French Association, SEILA (Union of Industrial Packaging) commissioned the Institut Technologique FCBA to measure the carbon footprint of a wooden crate, i.e., the impact of building a wooden crate on climate change.

The quantification of this carbon footprint was based on the Life Cycle Assessment (LCA) methodology, which consists of an inventory of environmental impacts throughout the life cycle of a product, "factory outlet".

The study, carried out over a full year with four representative companies, assessed the impact on climate change, i.e., the carbon footprint of packaging manufacturing.

The results of the study were finalized in 2015, showing the environmental performance of the wooden box. As a follow-up to this study, SEILA members have, since 2015, available to them, on the intranet site (www.seila.fr - member access), a calculation tool that enables them to personalize the carbon footprint, their manufacture and to approach eco-design, with a view to improving their environmental performance. Thus, for an order, each member can publish a specific carbon footprint and communicate the information to its customers.

SEILA has now asked the FCBA to update the study by presenting the impacts on climate change of several transport and end-of-life scenarios. The results of this study enable packaging manufacturers to make their customers aware of the impact on climate change related to the different modes of transport and the end of life of packaging.

The parameters related to transport and the end of life of the boxes have been integrated into the calculator. So members now have the means to make their customers aware of impacts they do not control. Several scenarios have been envisaged for transport (road transport Europe, road transport United States, transoceanic maritime transport, air transport and rail transport Europe) as well as end-of-life packaging (recycling panels, energy recycling, air burning Free and landfilled).

Source: FEFPEB

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March 2017
Are Pallets the Most Promising Greenfield Market for IoT?

Simply put, the Internet of Things (IoT) refers to connecting any device to the Internet and/or to each other. IoT includes everything from cell phones, refrigerators, coffee makers, wearable devices, or just about any device you can imagine. In business, it could be used such things as components of machines, corporate assets of any size and shape, including pallets and reusable containers. Analyst firms estimate there will be tens of billions of connected devices by 2020.

To date, the use of RFID and now other cellular technologies for tracking pallets have not gone mainstream, in large part due to cost. Now, a new report from Swedish analyst company Berg Insight ranks connected pallets as the most promising greenfield IoT application enabled by LPWA (Low-power wide-area) cellular and non-cellular technologies. The new technologies are said to be cheaper than RFID, and unlike RFID, do not require nearby readers or interrogators to work.

Based on industry estimates, Berg Insight reported that the global base of pallets used for transportation is around 10 billion units, making them a huge potential market for IoT. "With an average sales price of US $10 per unit for regular pallets, the cost of adding connectivity can be justified by increasing efficiency in many logistics operations," stated Tobias Ryberg, Senior Analyst and author of the report. "The ability to track pallets can also contribute to extending their lifespan which is currently around 2 years.” Click to read more.

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Chip Energy Creates Waste-Derived-Fuel in Building Built From Old Shipping Containers

Brambles, Greystone Logistics Trading Updates

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Call for Applications: 2017 RPA EXCELLENCE IN REUSABLE PACKAGING AWARD (Reusable Pallet Projects Eligible)

Upcoming Events


6/19/2017 - 6/21/2017  NWPCA Congressional Fly-In, Washington, DC.

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