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- Unit Load Failure Results in Injury to Toddler
- Tom Gorman to Retire from Brambles
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Softwood Lumber Prices
Our monthly softwood price graph, courtesy of NRCAN.

Tom Gorman Retires
The CEO of Brambles has announced that he intends to retire next year.

Lanny Williamson Named to Hall of Fame
Millwood's Lanny Williamson was recently honored in West Virginia.

Small Boy Injured by Falling Product
An injury results when a "pallet of water" falls at a club store.

PECO Named as Green Provider
PECO has been named as an Inbound Logistics Green 75 Supply Chain Partner.
This year's membership drive is already in motion.

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Jamie Gilbert
Custom Pallet & Crating
Charlotte, NC
China's ZIKA Spray Requirement Causes Confusion

Other Features

15 California Pallet Plant Fires

17 TIMCON Urges Government to Support British Forestry

18 News Roundup

20 Brambles Posts Positive Results

23 Further Reading

23 Advertising Sponsors

23 Upcoming Events

Cover Story

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North American Softwood Prices

Weekly softwood lumber prices to August 16, 2016 are shown below, sourced at http://www.nrcan.gc.ca/forests/industry/13309.

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Tom Gorman to Retire as CEO of Brambles

Tom Gorman is retiring as Chief Executive Officer of Brambles Limited, and as a Director of the Company. He steps down as CEO, effective February 28, 2017, and retires from the Brambles Group on June 30, 2017.

The Brambles Board has appointed Graham Chipchase to succeed Gorman. Until June this year Mr. Chipchase, 53, was Chief Executive Officer of Rexam plc, one of the world’s largest consumer packaging companies with operations in over 25 countries. He joined Rexam in 2003 as Finance Director and successfully managed the company’s plastics division until his appointment as CEO in 2010.

During his tenure as CEO, Chipchase refocused the company’s strategy on core operations and strengthening customer relationships. He also improved the financial position of the business and delivered significant economic value to shareholders. He left Rexam in June 2016, following the acquisition of the company by US-based Ball Corporation. Chipchase is also a non-executive Cont'd on Page 10
Lanny Williamson, Regional Sales Consultant for WPA-member Millwood, was recently honored through induction into the West Virginia Agriculture and Forestry Hall of Fame (WVAFHF).

The WVAFHF is “devoted to honoring individuals, businesses, organizations, institutions and foundations who have helped make this nation great through outstanding contributions to the establishment, development, advancement or improvement of the agricultural, forestry and/or family life of West Virginia.

Lanny was nominated by a member of his church and was then responsible for gathering four letters of support. The application sent in for his nomination, along with those letters, was used to evaluate candidates and determined their eligibility. Lanny was one of three forestry experts to be inducted in 2016.

At the induction, Lanny gave a short speech to thank his family, friends and educators. “I am most humbled, honored and blessed, he said.

The honor is given based on the length of time a West Virginian has spent in the forestry industry. An individual must have made outstanding contributions to the industry on a local, state and national level.
Gorman to Retire
(Cont'd from Page 9)

Graham Chipchase will succeed Tom Gorman as CEO of Brambles, the parent company of CHEP

Chipchase will commence with Brambles as CEO designate at the beginning of January 2017 and work closely with Mr. Gorman in the two-month transitional period until Mr. Chipchase takes over as CEO in March.

In making the announcement, Stephen Johns, the Chairman of Brambles Limited, recognized Gorman’s contribution to the company over the past seven years as CEO. “He leaves Brambles in a strong financial and market position with a clear focus on delivering on commitments,” Johns said.

“After completing an extensive CEO succession process that considered internal and external candidates, the Brambles Board is delighted to have found a candidate with Graham’s ability and experience to take Brambles forward and build on our strategy of customer focus, disciplined capital allocation, and profitable growth,” Johns added. “Graham has extensive and successful management experience leading a large FTSE listed company in a global business with similar characteristics to Brambles. He brings an impressive track record of success to the Brambles CEO role.”

“I’m excited to be asked to lead one of Australia’s iconic companies and one of the world’s most successful supply chain solutions groups,” Chipchase stated. “I will be inheriting an organization in a strong financial position with a clear value-creation strategy in place. I look forward to working with everyone at Brambles to ensure a smooth transition and to continue to deliver for our customers, employees, and shareholders.”
"Pallet" of Water Falls and Strikes Toddler at Sam’s Club

A 4-year-old boy was injured recently when he was hit, as reports put it, by a “pallet of water.” He was being pushed in his stroller by his father at a Sam’s Club in Virginia when material fell from above. News coverage provided a handful of images involving caution tape, scattered plastic jugs and cardboard boxes, as well as a conspicuous empty rental pallet in the foreground, leaning on edge against an intact unit load. The pallet did not appear to be damaged.

According to news reports, the unit load of bottled water was stacked on top of another load of water, which was racked at elevation. As is typical in these types of reports, there was no clear explanation of why the unit load fell. Unit loads of water, however, are often prone to leaning, due to the lightweighting of packaging used for such a product.

The boy received attention from a nurse who was shopping in the store. He received a compound fracture to one arm and is recovering.

Cont’d on Page 13
PECO Pallet Named Green 75 Supply Chain Partner for Fifth Year Running

In recognition of PECO Pallet’s ongoing commitment to environmental sustainability, the pallet pooling company was named a Green 75 Supply Chain Partner by Inbound Logistics magazine for the fifth year in a row. PECO is profiled in the current “Green Logistics” issue as one of the top 75 companies in supply chain sustainability.

PECO Pallet provides high-quality wood pallets and sustainable shipping solutions for grocery and consumer goods manufacturers throughout the U. S., Canada, and Mexico. PECO’s sturdy block pallets are built from responsibly forested timber and are constantly reused, repaired, and recycled. Companies who utilize PECO’s pooled pallets can eliminate the waste, inefficiency, and safety problems associated with single-use or low-quality pallets. PECO’s true four-way block pallets can also be stacked and transported more efficiently than conventional notched stringer pallets, thus reducing fuel costs and emissions.

Adrian Potgieter, PECO Pallet’s Senior Vice President of Sales, said, “PECO Pallet is proud to be named to the G75 list again this year. More and more companies are learning about the ways block pallets provide both environmental and economic benefits throughout the supply chain. We’re proud to help customers achieve their sustainability goals while also enjoying improved efficiencies and long-term savings.

Inbound Logistics’ G75 Green Supply Chain Partners highlights sustainability leaders in the logistics and transportation sector. The editors evaluate companies based on their measurable green results, sustainability innovation, continuous improvement, and industry recognition.
Unit Load Failure: What Can the Pallet Industry Do to Help?

Cont'd from Page 11

It is important to stress, however, that the news coverage in no way blamed the pallet for the injury. An official from Sam's Club stated that the accident would be reviewed and changes made, if required. And as Brindley also notes, given the millions of people who either work in proximity to unit loads or shop in big box stores, serious injuries involving unit load failure seem to be quite infrequent, although any injury is one too many.

The pallet industry can continue to come to the table as a trusted partner in helping to achieve optimal unit load design. As Chaille Brindley notes in Pallet Profile Weekly, such incidents underscore the need for effective safety controls, such as the use of PDS or Best Pallet to design an effective pallet, as well as attention to the other critical elements of the unit load, namely the packaged products on the pallet, and the stabilizer, such as stretch wrap.

Brindley also stresses the importance of reviewing the unit load system when one of the components changes, such as through the practice of bottle or packaging lightweighting, which is undertaken to reduce material and cost. He also reviews some of the safe work practices which should be undertaken in facilities to minimize the risk of unit loads falling from elevation, including safe forklift operation, for example, taking care in positioning pallets in racking systems. Another best practice is for operators to not rack questionable loads at elevation. Some retailers refuse to accept obviously unstable loads. If such unit loads do make their way into the warehouse, they should be positioned at floor level.

To put things in perspective, 30,000 Americans die in motor vehicle crashes each year, and over 150,000 pedestrians are struck by vehicles and end up at hospital emergency rooms. One is probably safer inside the big box store than traveling to it from home.

When unit loads fail, however, the results can be catastrophic for those involved, their families, and communities. Emphasis on unit load design and material handling best practices will continue to be a priority as ongoing changes to packaging and material handling systems take place.
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Fires Hit Two California Pallet Operations, Two Firefighters Injured When Hose Failed

Two California pallet operations were struck by fire in late July.

Two firefighters suffered minor injuries while battling a blaze at Pallets Unlimited, outside Sacramento. When a water hose ruptured, the water pressure caused it to whip, striking three men. Two of them were taken to hospital for evaluation. The fire started in pallets and quickly spread to the building. The cause of the fire was under investigation.

Another fire took place at Pedro's Pallets in Modesto, burning 50,000 pallets, taking out power lines and causing a local blackout. The fire started in pallets, but quickly spread, fueled by 30 propane cannisters which ignited. Firefighter access was impeded by gathering onlookers as well as downed power lines.

Two responders were injured when a hose failed. Click the image to watch the news report.

At the Modesto fire, onlookers impeded emergency response to the blaze.
ZIKA and China, South Korea Shipments: New Rules Do Not Apply to Pallets

As Zika is related to mosquitos, and not wood-boring insects, heat treatment or fumigation associated with ISPM-15 compliance are not applicable.

Photo credit: flickr, Creative Commons

The General Administration of Quality Supervision, Inspection and Quarantine of the People’s Republic of China (AQSIQ) has stated shipments from the United States shall be subject to anti-mosquito treatment. The ZIKA virus is a human health issue and is related to mosquitos, not wood-boring insects. Therefore, the recognized heat treatment or fumigation of export wood pallets for ISPM 15 compliance is not applicable for ZIKA compliance of the shipment. The entire consignment and container must be anti-mosquito treated and certified pre-shipment. There is no action a wood pallet company can do to assure ZIKA compliance for their customer’s shipment. It is the shipper’s responsibility to ensure the entire shipment is ZIKA compliant.

Inbound shipments without proof of anti-mosquito treatment will be fumigated at the port of discharge in China by the authorities without prior notice. It is the Consignee’s responsibility to inform Shipper (at origin) to provide a certificate proof of treatment before loading the shipment.

While specific details on compliance for the entire shipment have not yet been determined, it is clear this is not a phytosanitary issue. NWPCA is actively working with the US Department of Agriculture office of Plant Protection and Quarantine (USDA-PPQ) and monitoring the ZIKA issue with partners like the National Association of Manufacturers (NAM), and will provide further updates as we receive them.

Source: NWPCA
TIMCON Urges Government to Support British Forestry

The Timber Packaging & Pallet Confederation (TIMCON) has called on the Government to act on inadequate levels of UK forest replanting. It follows the publication of a Forestry Commission report stating that just half of the coniferous woodland harvested in 2006 had been restocked with productive conifer species.

“The home-grown timber industry has been a great success story of recent years, providing the majority of raw materials for industries such as pallets and packaging,” stated TIMCON president John Dye.

“This is good news for the British economy and jobs and for the long-term sustainability of British forest-based industries. The UK forestry and sawmill industry has invested heavily in providing first class timber and service; while production and use of wood has a significant role to play in the UK building a lower carbon economy.

“The share for home-grown wood has been increasing. We don’t want this positive trend reversed in favour of imports from the alternative sources we have to source our raw materials because of inadequate planting for the future, and which will ensure continuity of supply.

“TIMCON is liaising with the Timber Trades Federation and Confor to lobby the Government to support British forestry, its related business and the environment by ensuring that a program of full replacement is in place for harvested trees.

“Wood is repairable, reusable and recyclable. It continues to be the most environmentally friendly and economic option and as such remains the first choice material for the vast majority of pallets and transit packaging.”
News Roundup

Over 65,000 Fake EPAL Pallets Seized in Italy

Italy’s Guardia di Finanza, working in close cooperation with EPAL’s Italian National Committee, Conlegno-Consorzio, and the independent inspection company, Bureau Veritas, dealt a huge blow to the illegal use of the trademark ‘EPAL in oval’ and the commercial counterfeiting of EPAL Euro pallets.

Over 65,000 counterfeit Euro pallets, including many EPAL Euro pallets as well as EPAL blocks and nails, were seized by the Guardia di Finanza in a yard. The Guardia di Finanza expressly stated that counterfeit EPAL Euro pallets do not meet phytosanitary and hygiene regulations and what’s more, pose a high safety risk.

Legal proceedings have been initiated by the public prosecutor’s office in Parma against the owner of the yard and producer of counterfeit pallets on the grounds of counterfeiting EPAL Euro pallets, receiving stolen property and commercial fraud.

Axios Customer List Grows to 10 Major US Egg Suppliers

Axios Mobile Assets Corp. has announced that a tenth major US egg supplier has begun using the Company’s unique composite pallet-based logistics solution for transporting products to regional Distribution Centers.

Purchase orders received from the customer cover facilities shipping eggs and egg products from the states of Ohio and Indiana. Because the facilities are in close proximity to an Axios pallet-washing plant and to egg producing facilities of existing customers, the new orders present an opportunity for the Company to increase density within current delivery lanes.
“Our new customer operates in areas the Axios team knows well and this should enable us to achieve a high level of efficiency during both initial rollout and ongoing system management,” said Richard MacDonald, President and CEO of Axios Mobile Assets. “The customer’s production facilities are fairly close to our sanitization facility in Ohio, which is another positive aspect of the new orders,” he added.

Axios employs a proprietary Safe Quality Food (SQF)-certified washing process to sanitize its pallets after each use. Superior strength-to-weight ratio and advanced track-and-trace capabilities are among other features making the Axios solution an increasingly popular choice for producers of perishable goods. Axios supplies pallets and logistics to four of the five largest egg producers in the United States, and now 10 of the top 40.

**Kamps Pallets Acquires Custom Pallet**

Kamps Pallets has acquired Custom Pallet in Charlotte, North Carolina. Custom Pallet has two locations and 85 employees. Kamps Pallets has operations in 12 major markets with 20 facilities and several on-site operations in Michigan, Indiana, Ohio, Kentucky, Illinois and North Carolina. The acquisition of Custom Pallet further strengthens Kamps’ position in the southeast.

Kamps Pallets’ customer base includes several national accounts doing business throughout the United States with strong presence in the northeast, southeast, south and west coast. Jamie Gilbert, CEO/owner of Custom Pallet commented that “Kamps Pallets was very desirable because I was comfortable that our employees and customers would be well taken care of. Our dealings with Kamps and their management team have been extremely professional with the utmost integrity, respect and transparency."

Kamps has strong reciprocal manufacturing and repair relationships with dozens of high quality, service minded pallet companies throughout the United States. Custom Pallets was one of those companies that transitions well into the Kamps Pallets culture.
Brambles generated sales revenue of over US$5.5 billion from continuing operations in the 12 months ended June 30, 2016 (FY16), up 2 percent, including a foreign exchange translation impact associated with the strength of Brambles’ reporting currency, the US dollar, relative to the Group’s other reporting currencies.

“I am extremely proud of what our Company has achieved this year,” stated Tom Gorman, Brambles CEO. “We delivered accelerated revenue growth and strong operating leverage, despite macroeconomic uncertainty, industry headwinds and cost pressures in certain markets.

“I am delighted with the strength of our pooled Pallet operations in both developed and emerging markets. Revenue growth was particularly strong in North America, where our market segmentation strategy continues to drive new and existing customers to adopt pooled solutions in their supply chains. Operationally, this business delivered substantial supply-chain efficiencies which largely offset moderate plant and transport cost pressures.

“In Europe, our Pallets business continued to deliver exceptional operating leverage, reflecting the ongoing delivery of supply chain efficiencies in a low-inflationary environment. Constant currency revenue growth in emerging markets was 15 percent.
“Our North American recycled pallets business faced a number of operating and industry challenges during the year. Despite this underperformance, the business continues to be a key strategic part of our portfolio and we have identified a clear path for improving future performance. “In our European RPCs business, strong sales revenue growth and supply-chain efficiencies improved profitability, particularly in the second half of the year. While revenue growth in North America continues to be impacted by the loss of Safeway, it was encouraging to see early signs of improved profitability, resulting from specific actions we took to address the challenges facing this business.

Mr Gorman added: “We undertook a number of strategic actions during the 2016 calendar year, including the divestment of LeanLogistics in May 2016 and the announcement of our Oil & Gas Containers joint venture with Hoover, in August 2016. These actions are in line with the ongoing assessment of our portfolio to ensure all businesses can deliver sustainable long-term value.

Brambles

“Consistent with our commitment to investing for growth and disciplined capital allocation, over $400 million of growth capital expenditure was deployed during FY16. This was primarily focused towards our well established, high returning Pallets and European RPCs businesses. Furthermore, we continued to invest in geographic expansion and the scale of our RPCs business through acquisitions in Japan, Chile and Colombia.

“We continue to see considerable opportunities to invest for growth at attractive rates of return, particularly in businesses where we can leverage the strength of existing customer relationships and our network advantage. Going forward, we expect to invest approximately US$1 billion between FY17 to FY19, primarily in our well-established businesses which serve the FMCG and fresh food sectors.

“In FY17, we expect to realize the benefit of the investment we have made to date in operational efficiencies, including the US Pallets durability program,
NWPCA FALL PLANT TOURS SPECIAL REGISTRATION

The NWPCA fall plant tours in Monterey, California are nearly sold-out with over 200 people registered. Due to the overwhelming interest and continued excitement in the event, NWPCA is offering a special Reception Networking Registration for $395. This registration provides an all-access pass to the two business-to-business networking receptions for those who did not get registered in time for the plant tours but want to attend for networking. These individuals will have the opportunity to meet in the evenings with the anticipated crowd of 250 or more who will be on-site.

In addition, NWPCA has created a wait-list option for the plant tours themselves. As space becomes available NWPCA will review the date-stamps for the wait-list requests received, and then offer the opportunity to attend on first-reserved, first-served basis.

You can access the new fall conference registration option through this link: PalletCentral.com. If you registered for the plant tours and would like to switch to the “Reception Networking Registration” please contact NWPCA directly (703-519.6104) and we will refund you the difference and move someone from the wait-list into your slot on the tour.
Further Reading

Lumber Trade War Brewing as Hope of Softwood Deal Fades
Packing Technology Into the Timless Barrel
Scott Group Acquires Northern Case
New IKEA Distribution Center Features Paper Pallets

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Timber Products Inspection
Viking Engineering & Development

Upcoming Events

9/18/2016-9/20/2016  CWPCA Western Focus Meeting, Kelowna, B.C.  www.canadianpallets.com

10/11/2016-10/13/2016  NWPCA Fall Plant Tours, Monterrey, California.  www.palletcentral.com

Just in Case...

Click on back issues to catch up!