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WPA MAGAZINE

Softwood Lumber Prices
Our monthly softwood price graph, courtesy of NRCAN.

Membership Drive
This year's membership drive is already in motion.

New Members Welcomed
In a banner month for new members, the WPA welcomes 11.

The International Footprint of Viking Engineering
Pallet Enterprise looks at companies in England as well as Australia which relay on equipment from WPA-member Viking Engineering.

Timber Trades Federation Takes Collaborative Stance
More collaborative research, statistics and lobbying are required to move the industry forward.
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Oregon HB 4089 Takes Aim at Wood Pallets

Salute to Tom Thayer
The WPA offers a tribute to one of its unsung heroes, three-time President Tom Thayer

Device Aids in Pallet Stacking
A new piece of innovative equipment targets the pallet stacking requirements of pallet users.

Brambles Posts Strong 1H Performance
Brambles has announced a strong first half, aided by a strong performance in Pallets.

Other Features

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North American Softwood Prices

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

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WPA Membership Drive Competition

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 2016 Annual Meeting now in the books, it is time to work toward 2017.

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
WPA New Members

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Viking Engineering Featured in Pallet Enterprise

Aside from enjoying remarkable success in North America, WPA=member Viking Engineering has also made an impact globally. In this Pallet Enterprise report, applications in Australia (Rodpak Group) and the United Kingdom (Somerlap Forest Products) are reviewed. Read more.

Timber Trades Federation Head Highlights Importance of Wooden Packaging and Pallets

Comments emphasize the importance of statistics, research and collaborative lobbying efforts in wood products sector

The incoming managing director of the Timber Trades Federation (TTF), David Hopkins, has visited members of the U.K. timber packaging and pallet industry to speak about his plans for the organisation in one of his first appointments since taking on the role.

Speaking at the general meeting of the Timber Packaging & Pallet Confederation (TIMCON) in Manchester in January, Hopkins said of the sector: “This is an important section of the trade, and one with which I intend to work very closely in the future.”

Hopkins told TIMCON members he wanted the TTF to connect with its membership across the UK; focusing on opportunities to share industry statistics, knowledge between different sectors, statistics and a lobbying platform for the overall good of forest-based industries in the country.

The TIMCON general meeting also included updates on other aspects including ISPM15, biomass lobbying, insurance and health and safety.

TIMCON will hold its annual general meeting in Cambridge on May 23.

Source: Timcon
HB 4089: Oregon Legislation Would Have Mandated Paper Pallets for Government Procurement

A coalition of stakeholders came together to stop an Oregon bill that would have mandated paper pallets for government procurement in that state.

Proponents of the legislation argued that paper pallets are environmentally and economically superior to wood pallets, as well as providing worker safety benefits. Because they are lighter, fewer trucks would be needed to move freight, resulting in decreased carbon emissions and reduced transportation costs. Their argument is based on claims made by IKEA with respect to savings it has realized from the conversion to paper pallets. A local IKEA manager appeared at the hearing, and spoke in positive terms about the switch to paper pallets.

“In 2012, IKEA required more than 1000 global suppliers in more than 50 countries to ship to IKEA on corrugated pallets, and the results for its bottom line, and the planet, have been astonishing,” testified Adam Pener, Executive Director of Change the Planet. “IKEA has self-reported an annual freight savings of some $200 million, and CO2e reductions of 75,000 metric tons of carbon per year.”
A local Oregon IKEA manager spoke in favor of paper pallets, which have reduced injuries and allow 66 pallets of merchandise to fit on a load versus 45 pallets when the retailer used wood pallets. And because empty paper pallets are baled at the store, trucks are not needed to reposition the empties.

Opposition to the bill came from NWPCA and WPA, as well as from other groups. Paul Cosgrove of the American Forest and Paper Association stated that his group represents companies that produce wood as well as ones which produce paper. He stressed that pallets produced by both groups have their merits in certain applications.

Joe Gilliam, President of the Northwest Grocers Association, had a similar perspective. "We strongly believe that the type of pallet is a choice each entity considers as it evaluates safety needs, ability to reuse, convenience and environmentally sustainability and cost effectiveness," he said. "This decision, based on multiple factors, must be left to the supply chain.

"As drafted HB 4089 is a purchasing preference for corrugated pallets vs. wooden pallets. We are very concerned about the precedent this bill sets for those entities doing procurement with the State and for private business in future legislative sessions. It seems to create a precedent that would impact commerce and safety if it expanded."
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Patrick Atagi of the NWPCA also challenged the environmental high ground claimed by the paper pallet supporters. "It’s true that cardboard is lighter than wood," he said. "But the life-cycle carbon footprint of a pallet is about a lot more than weight. In fact, the carbon life cycle of packaging is actually quite complex."

Atagi went on to explain that manufacturing a cardboard pallet requires a lot more energy than manufacturing a wooden one. "They’re both made, ultimately, from wood," he said. "But for a cardboard pallet, wood has to be converted into cardboard through a manufacturing process that uses a lot of energy, and chemical inputs. In contrast, wood pallets are basically organic, we’re just talking wood and nails.

"In fact, the carbon emissions generated from producing a cardboard pallet can be five to ten times greater than a comparable wooden pallet."

Atagi also stressed the importance of safety. "Why does this matter to safety?" he asked. "Because pallets are used in so many different ways. While cardboard pallets may work in some specific cases, they won’t work safely in many others. Through this bill, the State of Oregon could be influencing the use of cardboard pallets in applications they cannot handle."

Additional testimony came from a variety of participants, including Dave Sweitzer, as well as written submissions from WPA members Ian Carter of Crane Point Industrial, and Ray Gutierrez of Commercial Lumber and Pallet.

Ultimately, NWPCA noted in a release, the Oregon wood community joined together and successfully used the powerful message of wood’s strong environmental credentials to defeat an initiative proposed by an out-of-state corrugated pallet manufacturer.

Oregon Governor Kate Brown did, however, order the Department of Corrections to run a pilot test next year using cardboard pallets, according to this report.

For more information, please read the issue brief at www.palletcentral.com.

Further statements are available at this Oregon State Legislature link.
When three-time WPA president Tom Thayer retired from United Wholesale Lumber at the end of January, the WPA truly lost one of its unsung heroes. There is an old adage that people may forget what you say, but they will never forget how you made them feel. No truer words could be spoken about Tom and Belinda Thayer.

Here we share some thoughts of fellow WPA members:

I’ll always remember the first time my husband Bud and I attended the WPA annual meeting. We were immediately approached by Tom, and his wife Belinda, and our very first conversations were of love of Country and family. He made us both feel so welcomed, and I will always cherish the time spent and our wonderful conversations. God blessed us all really good with Tom and Belinda Thayer.

Kathleen Dietrich, Commercial Lumber and Pallet Company, Inc.

Tom has not only been one of the pillars of the WPA but he and Belinda have been a big part of what the association has become. We are forever grateful!!!!

Carolyn Beach, Westside Pallet

Tom Thayer is one of the nicest softest spoken people I have ever met. He has been a long time board member of the WPA and quietly guided the association in the success that is has become. He has always been there. When Tom speaks people listen intently. He will be sorely missed.

Pat Sherry

There has never been a better man, a more faithful friend, or a greater supporter of the Pallet Industry than Tom Thayer!

Mark Garnett, Garnett Wood Products
Tom has made a lifelong and lasting impression on my own life. Tom has set an example for me, of what it means to live a life of putting others before yourself. Although Tom is a very savvy business person, he never put business before people. I will always look to Tom as a mentor and as an example of integrity to live up to, both from a professional and spiritual perspective. He is one who not only showed all of us how to humbly manage and motivate people, but more importantly, how to do it with genuine and sincere love, concern and respect for all. I'm a better man for having met Tom Thayer, and I wish him all of God’s best in his retirement.

Ryan Stearns, Atlas Products

Tom Thayer is the kindest, nicest, caring, loving, giving, .....(I’m sure I missed something), man I have ever met. He has brought a different kind of knowledge, encouragement and leadership with his soft spoken delivery, to my world that I could never imagined receiving or for that matter duplicating. This carries on not just in the pallet world but everywhere Tom steps foot. Our world is a much better and a more special place for us all having the good fortune to have Tom Thayer in our lives. We are all very blessed. Thank you God for our dear friend Tom! We Love you!

Greg Vipond, Girard Wood Products
Stoughton, WI—Automation Plus, a Division of CSF Incorporated has invented a new way to handle pallets, called the Pallet Return Device. (PRDTM) The PRDTM is designed to operate in material handling applications and makes pallet stacking (wood or plastic) safer and more efficient than current practices without using any outside energy source such as electricity or compressed air.

Currently, stacking pallets requires expensive machinery or intense manual labor (movements prone to injury). The PRDTM enables a new method, wherein the operator lifts the pallet over a pivot point thereby creating a mechanical advantage, removing the back strain associated with lifting pallets.

The PRDTM uses a “carriage” to help guide the empty pallets. This feature produces a perfect stack every time, thereby eliminating the need for the fork truck driver to reshape the stack.

The PRDTM incorporates a shock absorbing device that provides a smooth transition from the load position to the unload position. In use, the operator loads the carriage. When the carriage is full, the operator merely releases the load and lets the shock absorbing device safely guide the stack to a vertical (unload) position. Once positioned, the pallets are rolled forward to a raised outbound location which releases the pallets from the carriage. The operator then slides the carriage back, tilts it to the load position, and it’s ready to receive more empty pallets.

The Pallet Return Device will be on display at MODEX 2016 in Atlanta, Georgia, April 4-7, 2016 at booth 4863.
Brambles Posts Positive 1H Results

“We are very pleased with this first-half result, which reflects our strategy of investing in our strong network position to drive growth, as well as the delivery of indirect cost and supply chain efficiencies and a lessening of some external cost pressures,” summarized Brambles’ CEO Tom Gorman.

“In Pallets, we are leveraging our market-leading portfolio of solutions to generate continued new business wins, while pricing and like-for-like volume growth trends have continued to improve in developed markets. Constant-currency sales revenue growth in emerging markets of 16% remains robust despite some economic uncertainty.”

According to Gorman, the strong profit growth in Pallets reflected sales mix benefits on new business, the continued delivery of direct cost efficiencies, the delivery of overhead savings under the One Better business improvement program, and the lessening of plant and transport cost pressures in the USA.

As for RPCs, the ongoing adoption by existing and new retailers continues to enable Brambles to expand its market leadership position, in particular in Europe and Australia. In North America, the company remains focused on achieving increased penetration and scale.

Highlights

Sales revenue up 8% at constant currency, driven by new business wins, sales mix and like-for-like volume growth in Pallets globally, and expansion with new and existing retailers in European RPCs

Strong profit growth reflects margin improvement in Pallets operations worldwide:
Statutory operating profit up 12% at constant currency
Statutory profit after tax up 14% at constant currency
Underlying Profit up 10% at constant currency

Disciplined capital allocation across the portfolio:
Growth capital expenditure primarily supporting well-established Pallets and European RPCs businesses Lower new investment elsewhere: total FY16 growth CapEx to be below US$500 million previously forecast Focus on all business units’ ability to deliver satisfactory scale and returns
Brambles Launches BXB Digital: Looks to Leverage Network Capabilities

*BXB Digital to establish an office in Silicon Valley, taps Prasad Srinivasamurthy as President*

*Brambles looks to leverage its unique network to create enterprise-level data analytics solutions.*

Brambles continues to move in the direction of value-added solutions with the establishment of BXB digital, which will over time, come to target data analytics opportunities. The move could have significant implications regarding the deployment of tracking technologies in pallets, as well as design criteria for pallet durability.

“Mr. Gorman said outside expertise would be used to find the best way to embed sensors and other devices into most of the 500 million pallets, containers and crates,” the Sydney Morning Herald reported. “Durability is a major consideration, along with the ability to find the right power source to ensure the devices keep transmitting data.”

“We’re talking about a business that has high asset velocity,” Gorman was quoted in the article, emphasizing that the vast asset pool operating across 60 countries had hidden potential in delivering real-time information, adding that, “Today, our assets are essentially dumb assets. We could move to a space where we get real-time information.”

In conjunction with the launch, Brambles has appointed Prasad Srinivasamurthy to the new role of President, BXB Digital. Mr. Srinivasamurthy previously served leading global enterprise software company, SAP, most recently as Senior Vice President, Customer Innovation & Internet of Things. Over his 18-year career at SAP, Mr. Srinivasamurthy has had product and innovation responsibilities in data analytics, customer relationship management, supply chain planning and the Internet of Things. Srinivasamurthy’s most recent role focused on building digital solutions in areas including connected retail, consumer insights, and energy.

Brambles has several different solutions related to asset tracking already in place or that are part of development projects. A number of these are successful commercial solutions, such as CHEP-TRAC, which is used by CHEP Pallecon (intermediate bulk containers).
One of the initial things that Prasad and the BXB Digital team will do, Brambles explained to Western Pallet Magazine, is to take a look at all of these existing or ‘in-development’ solutions to determine which ones are scalable.

BXB Digital will look at opportunities that will bring benefits both to: internal customers, e.g. where solutions like asset tracking can help make Brambles’ businesses more efficient, and external customers, e.g. where asset tracking can help customers better manage their inventories and, over time, also where Brambles can harness the data to which we have access as a result of our strong network positions to bring new and improved solutions for customers.

“We are excited to appoint Prasad to this important role,” stated Brambles CEO Tom Gorman. “His experience at SAP is a great fit for our business as we look to expand our capability in data analytics and to leverage our unique network position in the supply chains we serve to develop innovative and improved solutions for our customers.”

Mr. Srinivasamurthy has master’s degrees in business administration from the Haas School of Business at the University of California, Berkeley, and in computer science from the Viterbi School of Engineering at the University of Southern California, Los Angeles. He will report to Mr. Gorman and will be based at a new Brambles office in Silicon Valley, Northern California, where he will establish the BXB Digital team. His appointment will take effect in March 2016.

**David Lee Will Step Down as CEO of PECO Pallet**

After leading more than 10 years of continuous growth as the president and CEO of PECO Pallet, David Lee has announced that he will be stepping down from his role as CEO in 2016. Lee will work closely with Pritzker Group on succession plans and serve as an ongoing advisor to the company after the search for his replacement is complete. To read more, click here.
Increasing Drought Threatens Nearly All U.S. Forests

Forests nationwide are feeling the heat from increasing drought and climate change, according to a new study by scientists from 14 research institutions.

“Over the last two decades, warming temperatures and variable precipitation have increased the severity of forest droughts across much of the continental United States,” said James S. Clark, lead author of the study and Nicholas Professor of Environmental Science at Duke University.

“While the effects have been most pronounced in the West, our analysis shows virtually all U.S. forests are now experiencing change and are vulnerable to future declines,” he said. “Given the high degree of uncertainty in our understanding of how forest species and stands adapt to rapid change, it’s going to be difficult to anticipate the type of forests that will be here in 20 to 40 years.”

Drought-induced forest diebacks, bark beetle infestations and wildfires are already occurring on large scales across the West, and many models predict droughts are likely to become more severe, frequent and prolonged across much of the United States.

There is also mounting evidence that climate is changing faster than tree populations can respond by migrating to new regions. Clark said that as conditions become drier and warmer, many tree populations, especially those in Eastern forests, may not be able to expand rapidly enough into new, more favorable habitats through seed dispersal or other natural means.
“We currently have a pretty good handle on predicting the impacts of climate change and drought on individual trees,” Clark explained. “Ecologists have identified many of the important differences between species that explain how they respond differently to drought. But there’s still uncertainty about what might happen at the species-wide or stand-wide levels, particularly in Eastern forests. These are the scales where we really need reliable predictions so forest managers can take steps now to help reduce large-scale problems.”

Without a better understanding of the complex interactions between trees, species and environmental conditions, even the most sophisticated current models can provide only limited guidance on climate effects, he explained. “That’s where we need to focus our efforts now.”

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LINC Systems Acquires Numax

January 27, 2016: LINC Systems, based out of Westfield, Indiana, has acquired Numax of New Windsor, New York. The two companies share a long similar history in the industrial fastening business. The newly combined company will operate under the name LINC Systems, Inc. and remain headquartered out of Westfield, Indiana.

The combination of these two businesses will bring many benefits to their 22 state customer base. “We are pleased that most of the Numax employees have chosen to stay with our new company” says Ted Azar, President of LINC Systems, “including Ron Hunkapillar owner of Numax.”

The combination will bring improved efficiency to the company’s infrastructure, ultimately benefiting its customers, according to Azar. "Both companies have a long history based on the foundation of customer service, quality products, and great brands."

In 2013 LINC Systems launched a division called LINC SUPPLY. Supplying customers all their MRO /industrial supply needs. This brings even more products and services to the Numax customer base.

LINC Systems operates in 22 states. "We look forward to continued growth and more acquisition opportunities that the future may bring," added Azar.
American Tree Farm System Celebrates 75 Years, Commits to Future

SEATTLE, WA – The American Forest Foundation (AFF) has kicked off its celebration of the 75th anniversary of the American Tree Farm System (ATFS), the largest and oldest sustainable forestry program for family forest owners. In celebration, AFF's governance, Tree Farmers, volunteers and partners have pledged to measurably increase their impact on the clean water, wildlife habitat and wood supply that comes from family-owned forests.

“Our woodlands are facing incredible challenges today – a changing climate, catastrophic wildfires, insect epidemics, development pressures, and much more,” said Tom Martin, President and CEO of AFF. “Yet we continue to need the clean water, wildlife habitat and wood supply we depend on from our forests. Tree Farmers exhibit the most exceptional forest stewardship that helps protect and enhance these benefits.”

ATFS leaders made critical shifts in the program over time, evolving the mission to stress that good stewardship is more than growing trees for wood fiber, but also to provide clean water, home for wildlife and space for recreation, all of which are exemplified on the ATFS sign. Today, the program is internationally recognized and endorsed by the global Programme for the Endorsement of Forest Certification (PEFC), with more than 80,000 Tree Farmers sustainably managing more than 21 million acres of forest.

AFF, taking a regional approach, conducted a series of assessments, and surveyed partners and ATFS leaders to identify opportunities where family forest owners could have an increased impact.

In the West, 78 percent said wildfire, and its impact on the water supply, was the most critical issue, where family forest owners could play a role. In the Northeast, 70 percent identified wildlife habitat as the top opportunity, where forest owners could make a difference, noting the majority of wildlife habitat in the region falls on family and individual properties. In the South, 80 percent agreed engaging more forest owners in forest management to meet the growing wood supply needs while conserving habitat, was the top priority.
Further Reading

- Washington State Lost $769 Million in Port Slowdown of 2014-2015
- Sluggish Trucking Volumes to Start 2016
- Worthington Steel's Failed Attempt to Crack the Pallet Market
- Axios to Double Its Composite Pallet Capacity
- Pooling Partners Celebrates 11th Straight Double-Digit Year
- LPR Rated "Gold" for Its Social Responsibility Efforts

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