Western Market Report Initiative

Marketing Wood Pallet Sustainability

Pallet Industry Converges on Palm Springs for 2015 WPA Annual Meeting
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Upcoming Events

N.A. Softwood Trends

New Members

About New Members

State of the (Pallet) Union

Marketing Wood Pallet Sustainability

Meeting Pictures

Murder Mystery!

Lumber Price Reporting Initiative

Exhibitor Tribute

Please direct inquiries about the WPA to David Sweitzer, Executive Vice-President
P.O. Box 1095, Camas, WA 98607
Ph. 360 335-0208
Email: wpa@westernpallet.org
Website: www.westernpallet.org
Northwest Hardwoods alder pallet components exceed the NWPCA uniform standards. Our consistent precision milling is the industry benchmark and our on-time delivery puts it in your yard when you want it. Northwest Hardwoods pallet stock: an easy choice to make.

For more information contact Jeff Carr, Pallet Sales Manager jeff.carr@northwesthardwoods.com 877-345-1421 or 541-485-0377 northwesthardwoods.com

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www.rotochopper.com
North American Softwood Prices

Weekly softwood lumber prices to January 20, 2015 are shown below, sourced at http://www.nrcan.gc.ca/forests/industry/13309.

Upcoming Events

2/18/2015 - 2/19/2015
Food Processing Expo
Sacramento, California
www.foodprocessingexpo.net

Promat Show
Chicago, Illionois
www.promatshow.com

5/10/2015 - 5/11/2015
CWPCA Annual Meeting
Toronto, Ontario
www.canadianpallets.com

Featured Meeting

NWPCA 2015 Annual Leadership Conference
Tucson, Arizona
www.palletcentral.com
White & Company Launches Best Load and Best Pallet Version 2.1, Will Exhibit at WPA Meeting

Dean Ponak
Jhajj Lumber Corporation
Unit 204
6450 148th Street
Surrey, BC V3S 7G7
Ph: (604)418-3804
Fax: (604)592-4476
Web: www.jhajj.com
Email: dean@jhajj.com
Sponsor: Tyrone Konecny, KB Lumber Company

Troy Miya
World Wide Packaging & Crating of Utah
611 S 1000 W
Clearfield, UT 84015
Ph: (801)773-2754
Fax: (801)773-2758
Web: www.wwpallets.com
Email: troymiya@wwpallets.com
Sponsor: Tyrone Konecny, KB Lumber Company

Mona Tracy
Universal Machinery Sales, Inc.
6075 W Harlan Drive
Terre Haute, IN 47802
Ph: (812)298-8090
Fax: (812)298-0374
Web: www.universalmachineriesales.net
Email: sales.universalmachineriesales@gmail.com
Sponsor: Norm Normile, NW Norm

Chip Dauber
Ongweoweh Corp
767 Warren Road
Ithaca, NY 14850
Ph: (607)667-7070
Web: www.ongweoweh.com
Email: chip@ongweoweh.com
Sponsor: Tyrone Konecny, KB Lumber Company
Industrial Lumber Products

Timbers (PET) -- Great for Custom Thickness

All 3 Products are Utility & Better and Stickered for Moisture and Mold Control.

Daily Moisture Content Analysis Sample

<table>
<thead>
<tr>
<th>Day</th>
<th>Load 1</th>
<th>Load 2</th>
<th>Load 3</th>
<th>Load 4</th>
<th>Load 5</th>
<th>Load 6</th>
<th>Load Average</th>
<th>Humidity</th>
<th>Temp</th>
<th>Sun/Cloudy</th>
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</thead>
<tbody>
<tr>
<td>Day 1</td>
<td>50.20</td>
<td>61.20</td>
<td>46.60</td>
<td>65.40</td>
<td>57.17</td>
<td>53.70</td>
<td>55.71</td>
<td>19%</td>
<td>73</td>
<td>Clear</td>
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<tr>
<td>Day 2</td>
<td>31.10</td>
<td>66.20</td>
<td>41.40</td>
<td>49.50</td>
<td>51.10</td>
<td>49.10</td>
<td>46.40</td>
<td>21%</td>
<td>67</td>
<td>Mostly Cloudy</td>
</tr>
<tr>
<td>Day 3</td>
<td>24.40</td>
<td>53.40</td>
<td>38.45</td>
<td>47.30</td>
<td>50.15</td>
<td>47.70</td>
<td>43.73</td>
<td>22%</td>
<td>71</td>
<td>Light Clouds</td>
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<tr>
<td>Day 4</td>
<td>19.10</td>
<td>44.90</td>
<td>38.20</td>
<td>44.60</td>
<td>48.60</td>
<td>44.50</td>
<td>40.48</td>
<td>11%</td>
<td>72</td>
<td>Sunny</td>
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<tr>
<td>Day 5</td>
<td>17.10</td>
<td>28.20</td>
<td>35.40</td>
<td>41.40</td>
<td>37.50</td>
<td>39.20</td>
<td>33.13</td>
<td>9%</td>
<td>70</td>
<td>Scattered Clouds</td>
</tr>
<tr>
<td>Day 6</td>
<td>16.70</td>
<td>25.80</td>
<td>32.50</td>
<td>38.50</td>
<td>35.00</td>
<td>45.80</td>
<td>32.38</td>
<td>8%</td>
<td>67</td>
<td>Clear</td>
</tr>
<tr>
<td>Day 7</td>
<td>Shipped</td>
<td>24.50</td>
<td>29.40</td>
<td>34.50</td>
<td>30.20</td>
<td>36.30</td>
<td>30.98</td>
<td>11%</td>
<td>72</td>
<td>Clear</td>
</tr>
<tr>
<td>Day 8</td>
<td>Shipped</td>
<td>25.60</td>
<td>28.20</td>
<td>28.30</td>
<td>34.40</td>
<td>29.12</td>
<td>9%</td>
<td>85</td>
<td>Sunny</td>
<td>Sunny</td>
</tr>
<tr>
<td>Day 9</td>
<td>Shipped</td>
<td>21.15</td>
<td>24.55</td>
<td>29.19</td>
<td>24.96</td>
<td>13%</td>
<td>81</td>
<td>Sunny</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Day 10</td>
<td>Shipped</td>
<td>Shipped</td>
<td>24.70</td>
<td>24.70</td>
<td>15%</td>
<td>78</td>
<td>Few Clouds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Day 11</td>
<td>Shipped</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

“Delivering the Goods From the Woods”

Contact: Sales@SouthwestForestProducts.com

JANUARY 2015
About New Members

Dean Ponak
Jhajj Lumber Corporation

"it’s nice to be back!" writes Dean Ponak, about his return to the Western Pallet Association.

"Jhajj Lumber Corporation is a lumber trading company that provides low grade dimension lumber and pallet cutstock to the pallet and crating industry," Dean explains. "We have various sources from both Canada and the US and we export everywhere in North America but focus 90% on the Western states and provinces as well as into Mexico.

"We help out the smaller guys with extended terms and we help mills get rid of their difficult items that are slow to move. We’re currently doing business with a lot of the members in the organization but wanted to join to let others know about us and to officially be recognized as part of the community here on the west coast."

Chip Dauber
Ongweoweh Corp.

"The WPA Annual Meeting was a great meeting for me," writes Chip.

"My position at Ongweoweh is a National Accounts Manager and I had the opportunity to visit with many of our partner mills/suppliers for the Regions in a relaxed and friendly atmosphere. We have many National customers in the Western and Mountain Regions and felt it was important for Ongweoweh to participate in and support the Association.

"The meetings were very informative and well organized. I’m not a golfer but the atmosphere of the resort was very relaxing and the membership was really welcoming. I look forward to next year."
The State of the (Pallet) Union

Record Attendance at WPA Annual Meeting

“The state of the WPA is fantastic,” offered outgoing WPA President Kelly Bennion in his opening remarks at this year’s Annual Meeting. There were 19 new members signed in 2014, bringing the current record high total to 166. Additionally, there were 210 attendees registered for the meeting, another record.

Attendance has been gradually increasing every year, and this year the meeting hall at the Omni Rancho Las Palmas Resort was expanded, sporting a new layout that comfortably handled the increased amount of people and additional exhibitor display tables (See the list of exhibitors on Page 19.

Kelly introduced members to a WPA initiative designed to provide better, more accurate reporting of lumber prices in the West. This request has emerged, Kelly said, because the published market reports are not necessarily attuned to local market conditions, which can make it more difficult to demonstrate to customers the need for price changes. The WPA has held additional meetings to address the issue, and has invited Pallet Profile Weekly to participate in the project. (Read more on this initiative on Page 16.

New President Carolyn Beach-Skinner reported that the WPA has been asked to meet with NWPCA at the upcoming NWPCA Annual Leadership Conference, to be held March 11-13 in Tucson AZ, in order to determine how the associations can best work together. (Continued P. 10.)

The meeting also marked the conclusion of Tom Thayer’s last year on the Board for WPA. It was estimated that Tom (at left above with outgoing Immediate Past President Mark Garnett) has attended approximately 37 WPA meetings during his decades of involvement in the industry, serving on the Board of Directors for many years, including three terms as President.

Tom, who retires from United Wholesale Lumber, Inc., at the end of the year, received a hearty standing ovation from members during the awards banquet.
State of the Pallet Union (Cont'd)

Continued from Page 9.)

WPA members registering for the event will enjoy NWPCA member pricing.

New Officers include:
Carolyn Beach-Skinner, Westside Pallet, Inc. (President)
Kathleen Dietrich, Commercial Lumber & Pallet Co., Inc. (Vice President)
Dave Uppal, Pioneer Pallet & Lumber Ltd (Treasurer)
Kelly Bennion, Challenger Pallet & Supply, Inc. (Immediate Past President)

New Board members include:
Annie Montey, American Pallet, Inc.
Derek Sampson, Hampton Lumber Sales
John Swenby, Paltech Enterprises, Inc.
Tom Worthen, Wasatch Pallet, Inc.

Speakers at the 2015 Annual Meeting covered a range of important topics. NWPCA President/CEO Brent McClendon provided an update on that Association’s strategic direction, which is focusing on collaboration, advocacy, as well as PDS. "Everybody says they come to Palm Springs for the weather," Brent said, "but why are they sitting in this room?" Brent asked. "The reason they are here is for networking," he said. He also touched on NWPCA's new positive promotional campaign (Nature's Packaging), discussed in a related story.

Raph Rupert, Manager Unit Load Technology for Millwood, gave a very good presentation on wood mold and how to prevent it. "Wood is a hygroscopic material that has an affinity for water in liquid or vapor forms," Ralph explained. "Moisture causes more problems than all other issues combined." Ralph's presentation will be explored in more detail in a future issue.

Patrick Atagi, NWPCA's new Vice President, provided an update on NWPCA's outreach to members as well as other associations. NWPA has connected to over 40 other associations, and reported that their depth of knowledge about pallets and pallet-related issues is deep. When it comes to the value proposition of wood pallets, "They get it," Patrick reported.

Leanne Seeger, Vice President at HUB International, provided a presentation on "Demystifying the Affordable Healthcare Act." She walked attendees through the background to the legislation and the rationale for it, as well as what's good, bad and ugly. In the ugly department, the budget has tripled to $3 trillion, the initial $5 billion fund for the uninsured has now been exhausted, and 20,000 government agents have been hired to assist in Dept. of Labor audits. She reminded participants about rules with respect to counting employees of controlled companies. "The moral of the story," she said, "you may have more "ACA Full Time Employees" than you think and may be covered by the Mandate."

Phil Araman provided some interesting statistics about new and recycled wood pallet production and other facts, as well as sharing ideas about wood recovery, PDS effectiveness, and marketing for sustainability. Phil reported that 416 million pallets were manufactured in the United States during 2011. Around 474 million pallets were recovered, and 326 million of those were returned to service as pallets.

Chaille Brindley of Industrial Reporting shared several "Life Hacks" for the pallet industry. A life hack, Chaille explained, references an innovative shortcut, skill, or creative method that increases productivity and efficiency. Based on his tours of pallet plants internationally, as well as feature stories from Pallet Enterprise, Chaille shared a number of ideas that pallet companies might find a way to incorporate usefully in their operations.
Cont'd

- maybe not in the exact same way, but as a starting point to thinking creatively about how to improve their operations. Watch for more in a future article.

The final presenter, James Olsen, is a sales trainer with extensive lumber sales experience. He presented some do's and don'ts for social media. According to Olsen, only about 9 percent of sales result while 38 percent of sales is due to brand, product and service, and 53 percent is attributed to conversations with your sales rep. The moral is, James stressed, is that salesmanship matters.

(Continued on Page 12.)
Also of note from the Annual Meeting were the membership drive winners, shown below. Repeat winner Tyrone Konecny of KB Lumber, who last year rolled his prize to this year's competition to increase the stakes, has now taken another approach. He has used his winnings to purchase a perpetual trophy to go to the winner, starting next year.

Other winners to be congratulated are Norm Normile, NW Norm - 2nd place (tie with Frank Shean, not pictured) and a 5-way tie for 3rd place, including Charity Isakson, KB Lumber, Carolyn Beach-Skinner, Westside Pallet, Inc., Greg Wine, Pallet Machinery Group, Rick Geist, Metolius Forest Products and Greg Vipond, Girard Wood Products (not pictured).

With a new year ahead, it is the perfect time to start getting ahead of the pack (especially Tyrone) by recruiting new members.
Promoting Wood Pallet Sustainability

Proactive sustainable marketing of pallets was a topic that popped up in a few sessions at the 2015 Annual Meeting.

In his session, Brent McClendon stressed the importance of taking a proactive rather than a reactive approach. With this in mind, he noted that NWPCA, in partnership with the Canadian Wood Pallet and Container Association is developing a new project that follows up on the work of European pallet colleagues (www.PackagingfromNature.com) to deliver sound, fact-based materials that showcase the many advantages of wood packaging. Going forward, the group will identify gaps in NWPCA’s LCA/EPD database specific to wood packaging, and then fund joint projects and work collaboratively on a website and marketing/outreach initiative to inform pallet users and the trade press of the amazing attributes of wood packaging.

Phi Araman, in his presentation, noted that pallet recyclers may be missing out on an opportunity to become FSC (Forest Stewardship Council) certified, a designation that is becoming increasingly important to many customers.

Phil explained that the FSC Recycled label was introduced in order to recognize the important role that recycling paper and timber play in protecting the world’s forests. In order to carry the FSC Recycled label, products must be a minimum of 85 percent post-consumer recycled wood, but reclaimed materials can also achieve the FSC Mix label if FSC or controlled new material is introduced.

For reliable HT wood packaging certification, look no further than Pacific Lumber Inspection Bureau. Call today or visit plib.org for details on ISPM 15 certification.
Brent McClendon, NWPCA "...65 percent of people are looking at your website on mobile devices.

Patrick Atagi, NWPCA. ...When it comes to the importance of wood pallets, other industries "Get it."

Ralph Rupert "...The key areas of preventing mold all start with moisture."
Above: A murder mystery provided the after-dinner entertainment on Sunday evening. Below: The crime was perplexing, involving 20 suspects. The winning team (shown below), most effectively solved the case, establishing motive and opportunity.
WPA Pursues Lumber Price Trending Initiative to Provide Better Visibility

The WPA has reached out to associate member Industrial Reporting Inc. (Pallet Profile Weekly) and Chaille Brindley (shown at right), IRI publisher, to collaborate in the provision of more detailed reporting of lumber market pricing trends in the West in order for pallet companies to better communicate about lumber pricing trends with customers.

“The Board of Directors has been concerned about the lack of diversity in the lumber reports that we have been receiving over the years here in the West,” outgoing WPA President Kelly Benion wrote recently to members. “We feel that what we are getting from the publications like Pallet Profile Weekly and Random Lengths are good reports but they are too vague for our market area here in the West.”

Improved Market Visibility

**WHO:** Pallet manufacturers and recyclers, mills and lumber distributors located west of the Rockies

**HOW:** If you agree to share price trends confidentially with Pallet Profile, you will be contacted once or twice monthly. All responses will be grouped to maintain confidentiality.

**WHEN:** Will begin in next one to two months

According to Kelly, pallet customers are requesting publications that indicate market trends in the pallet grade lumber markets. “Some of our customers subscribe to these same publications in order to understand the movements of pricing in the lumber market,” he wrote. “However, the reports in these publications do not provide sufficient data that we can discuss with our customers in regards to our varied lumber market. The purpose of this report will be to show market trends of lumber pricing on additional items that are more typical to our Western regions.”

The initiative has proposed dividing the West into five separate geographic regions that would provide more accurate lumber price information in Pallet Profile, providing enough people from the industry participate in providing information on a regular basis.

“These objectives can only be accomplished if everyone can encourage more mills to be on board, which will increase the size of the network from which the Pallet Profile can draw information. It will take all of your help and input in order to increase the depth of these market reports.” To see a pdf copy of the market survey form, please click here to find a live link to the WPA form. The survey form also appears on the following two pages.
Data Gathering Process and Report Design Survey

Thank you for taking a few minutes to comment on the proposed changes to the Pallet Profile and/or Recycle Record. Please complete the entire survey and return by February 5, 2015. Fax the form to 804-550-2181 or email this completed PDF to jeff@palletenterprise.com

Name: ___________________________ Company: __________________________________________

Position: _____________________________________________________________

Phone: ___________________________ Fax: ________________

Email: ________________________________________________________________

Address: _____________________________________________________________ City/State/Zip: __________________________

Business Type: (Pallet Manufacturer, Pallet Recycler, Sawmill, Lumber Broker, Concentration Yard, Other)

1.) Are you willing to provide data in the West based on the new reporting regions?
   □ Yes  □ No  □ Only on the following regions. Please describe:
   ________________________________________________________________

Other Comments: _______________________________________________________

2.) Which of the following new items are you willing to report on at least a monthly basis? Please check the box next to all of those items you are willing to report.

   Economy Lumber
   □ 2x4 (Green and KD)
   □ 2x6 (Green and KD)
   □ 4x4 (Green and KD)
   □ 1x4 Mill Run Rough
   □ 1x6 Mill Run Rough
   □ 1x4 Peeler Core

   Cutstock
   □ 1x4x40 (Green and HT)
   □ 1x6x40 (Green and HT)
   □ 2x4x48 (Green and HT)

   Pallets
   □ 48x40 Softwood GMA
   □ 48x40 #1/A
   □ 48x40#2/B

3.) Please explain your concerns about sharing the items you said you would not disclose? Is there any format the data could be collected or reported in that would change your attitude toward reporting of those items?
   ________________________________________________________________

4.) What is your opinion of the design of the new reporting items?
   □ Strongly Like  □ Somewhat Like  □ Neutral  □ Somewhat Dislike  □ Strongly Dislike

   Please explain the reasons for your answer: ________________________________________________

   ________________________________________________________________
5.) What could we change to make the design more useful for you?  


6.) How do you intend to use the data and new reporting regions? (Please check all that apply)  

☐ Show customers graphs and pricing data to help explain current price fluctuations  
☐ A price barometer for contracts  
☐ Sales tool for business pitches  
☐ Refer to market comments to explain market fluctuations  
☐ Other:  
☐ I do not intend on using the report with customers.  

7.) What charts and graphs would you like to see included in the new Western focus sections? Please explain.  


8.) How are you willing to help us generate better data? I am willing to do the following:  

(Check all that apply)  

☐ Report data on at least a monthly basis  
☐ Ask my log and lumber suppliers to participate  
☐ Send reminders and/or copy of the data survey form to suppliers  
☐ Encourage business partners and other lumber/pallet companies in my network and sphere of influence to participate  
☐ Provide a list of potential sawmill partners or lumber brokers for Pallet Profile to contact  
☐ Provide a list of potential pallet companies for Pallet Profile to contact  
☐ Other:  


Thank you for taking a few minutes to comment on the proposed changes to the Pallet Profile and/or Recycle Record. Please complete the entire survey and return by February 12, 2015. Fax the form to 804-550-2181 or email this completed PDF to jeff@palletenterprise.com.
This is the time of year when the competition for the membership drive really starts to heat up. Just to make things a little more interesting, the winner of last year's contest and membership committee chairman, Tyrone Konecny, put all of his winnings back in the pot for this year.

A regular influx of new members helps maintain the strength of the WPA, as well as to build on our reputation of being "the friendliest Association in pallets." New members can join and pay on the website. Here is the link: www.westernpallet.org

Pennsylvania & Indiana Lumbermens Mutual Ins. Co.
Crane Point Industrial LLC
Rotochopper, Inc.
Cresswood Shredding Machinery
KB Lumber
Reality Sales Training
Pallet Machinery Group, Inc.
Freud America, Inc.
Active Sales, Inc.
Pallet Repair Systems
Timber Products Inspection
Profile Technology, Inc.
Smart Products
Baldwin Industrial Supply
NW Norm
Pacific Lumber Inspection Bureau
InterWest Insurance Services
White & Company
Baker Products
West Coast Lumber Inspection Bureau
Automated Machine Systems
Viking Engineering & Development
KB Lumber

NW Norm

West Coast Lumber Inspection Bureau

2015 WPA Annual Meeting Exhibitors
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Freud America, Inc.