

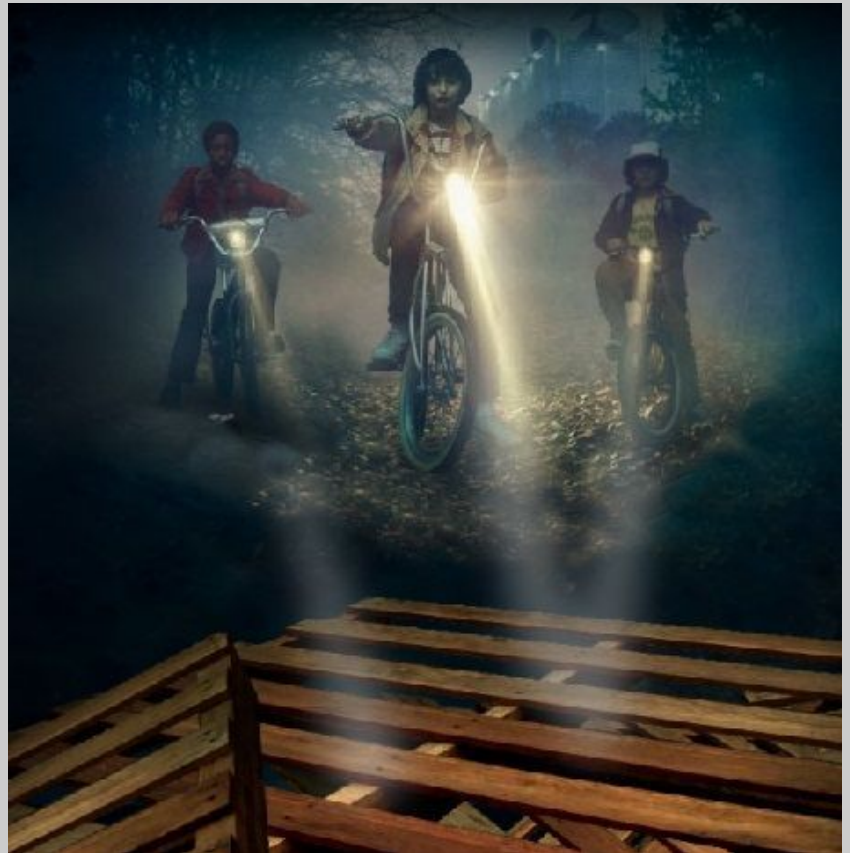
# Western Pallet



Magazine for WPA Members  
February 2018

Magazine

**#WPA2018**  
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## WPA MAGAZINE

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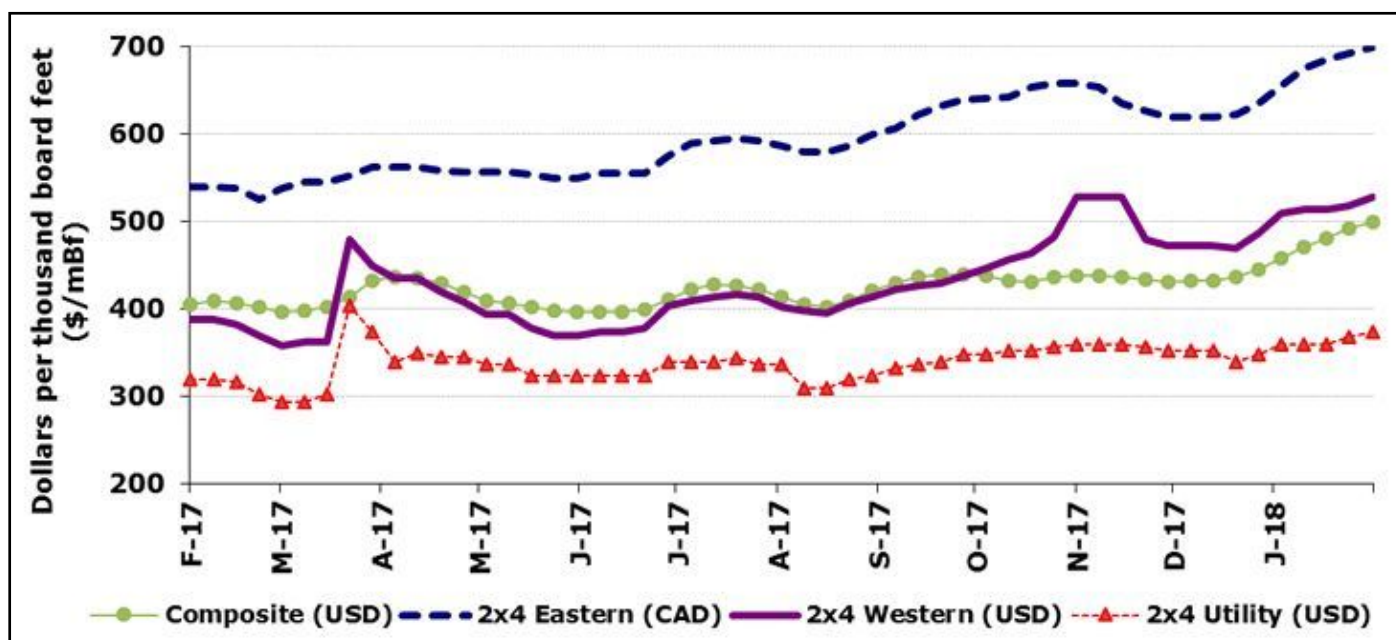
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# North American Softwood Prices

Weekly softwood lumber prices to February 20, 2018 are shown below, sourced at <http://www.nrcan.gc.ca/forests/industry/13309>.



## WPA New Members

One of WPA's new members is Eric Ander of Pacific Northwest Lumber. Pacific Northwest Lumber is a lumber wholesaler based in Vancouver, BC. The company supplies dimension lumber, 2x3 through 2x12, in lengths ranging from 4 to 20 feet. It deals in SPF, Doug-Fir, hemlock, SYP, and aspen and offers grades ranging from Appearance Grade to Economy.

Pacific Northwest Lumber also supplies pre-cut pallet stock manufactured from SPF, Doug-Fir, hemlock, and aspen. It can supply material ranging from complete 48x40 GMA pallet kits to custom pallet and container components. Heat-treating services are available.

Pacific Northwest Lumber has established a network of sawmills and logistics partners to offer streamlined services, and lumber products are shipped directly from the mills.



*Eric Ander*



# More WPA New Members

## Corali-USA

Corali-USA is the U.S. affiliate of European pallet nailing machine manufacturer Corali. Corali has been a premier manufacturer of wood pallet, wood box, and wood cable drum nailing equipment since 1957. Under the leadership of Jeff Jensen, president, Corali-USA supplies these highly flexible, complete production lines to the U.S. and Canadian markets. The company is based in Cincinnati, Ohio. U.S.-based sales, parts and service are provided through the Cincinnati office with guaranteed stock parts and veteran pallet technicians.

Corali has developed some of the fastest pallet nailing machines in the world with the quickest changeover times. Many Corali models can be changed over to a different pallet in a matter of seconds, not minutes. Computerized, motorized controls automatically adjust various parts of the machine to accommodate a new pallet size without the need to perform many tasks manually. Corali nailing systems can produce small orders for custom pallets more efficiently than workers who have to adjust a machine by hand or modify or replace jigs.

Corali nailing systems can be customized with an array of modules to customize and enhance productivity and speed from



*Jeff Jensen*

robotic board feeders, nail pressers, corner cutting, block cutting and introducers, mat or deck assembly lines, automatic banding equipment, stitching stations to apply plastic protective sheets on pallets, painting and drying units, and robotic stackers.

Corali machines are versatile enough to produce a wide variety of products, and they are designed and built to allow the addition of new modules for increased flexibility if a company's markets change in the future.

Corali marked its 60th anniversary in 2017. It led U.S. pallet manufacturing company owners and managers on a tour of their customers' plants throughout the Netherlands leading up to the LIGNA



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convention of the woodworking industry in Germany in the spring of that year. The tour included visits to the plant of PFK/PostPallets, one of the largest Dutch pallet manufacturing businesses, to watch their Corali production lines in operation.

## Saratoga Forest Management

Clint Georg, 59 is a partner in Saratoga Forest Management in Saratoga, Wyoming. He oversees finances and the business aspects of the company while the other partner, Gary Ervin, oversees operations.

Saratoga Forest Management provides forest management services and operates an affiliated state-of-the-art sawmill. It specializes in manufacturing straight, strong, framing lumber from high altitude Engelmann spruce and lodgepole pine (ESLP) forests in south-central Wyoming. The region produces slow growing, dense trees that yield straight studs. In fact, the company's stud lumber products are marketed under the trademark Saratoga Straights™.

One of the company's main products for the pallet industry is a 4-foot 2x4 stud. "It's very, very popular with the pallet

industry to use as stringers," said Clint. The company, with about 100 employees, also produces rough stock -- economy 2x4 and 2x6, for example -- that can be remanufactured into pallet components.

The company's ESLP products have good "yardability," said Clint. "They store very well," he explained, with very little warpage.

The mill has been in existence since the 1940s but had been idle about 10 years before being acquired and refurbished by the partners, who started up production in 2013.

"We decided we wanted to be represented in (the WPA)," said Clint, since the company does business with customers in the pallet industry. "We think it's a good organization to be part of."

National forests in the region have been ravaged by the mountain pine beetle, noted Clint. There are about 4 million acres of dead lodgepole pine, he said, and they need to be removed in order to allow the forests to regenerate.



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*Jeff Myren (left) and Jim Myren are the owners of Benchmark Knife and Saw Co.*

## **Benchmark Knife and Saw Co.**

Benchmark Knife and Saw Co., based in Longview, Washington, manufactures circular saws, saw teeth, replacement tips, knives, and other replacement wear components for the forest products industry.

Benchmark is also one of the premier small (1-2-inch wide) bandsaw blade providers for the northwest, using primarily Woodmizer or Lenox brand bandsaw blade materials. The company offers a range of blades for cutting wood, metal or dismantling pallets, along with providing primary lumber mills with large bandsaw blades up to 12 inches wide.

In addition to offering new products the company offers a full slate of services,

including saw sharpening, automated grinding, tip replacement, benching, knife sharpening, and custom saw tooth and knife design and consulting.

Benchmark has multiple trucks on the road serving customers throughout the Northwest U.S.

## **Worldwide Crates & Pallets**

Johnny Ruiz grew up in his father's pallet business and decided to start his own company in 2016.

His company, Worldwide Crates & Pallets, offers recycled pallets and manufactures new wood crates and containers. His business is small, but Johnny wants to



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grow it. He has customers in the food industry and also mining. Worldwide Crates & Pallets supplies crates that are used to ship mining equipment around the world.

Johnny joined the Western Pallet Association because he wants to learn more about the industry, he said. "With the right contacts...maybe I can grow," said Johnny, who is a certified welder and did welding and metal fabrication for more than four years before starting his business. "I want to take it one step at a time."

Johnny is helped in his business by his father and a couple of part-time employees.

He began helping his father, Juan, in his business when he was a boy and later worked for his father. Juan has been operating Desert Pallet, also located in Tucson, for more than 20 years; his company is a pallet recycling business. Johnny, who is engaged to be married, enjoys fishing and riding all terrain vehicles in his free time.

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## Cole Pallet Services

Brett Cole and his brother, John, bought a pallet manufacturing company in DeKalb, Illinois, in 2014 and renamed it Cole Pallet Services.

Both were somewhat new to the pallet industry. After a stint in the military and getting a college education, Brett worked a few years for a pallet brokerage company in the Midwest. John's previous background was in sales and trading in the commodity fertilizer and industrial chemical industries.

Brett, who is in his late 30s, has the role of company president and is the day-to-day manager of the business. He has a production manager under him, three sales representatives, and two office administrators. John, who is in his 50s and lives in Tampa, Florida, holds the title of vice president and is involved in sales as well as short-term and long-term strategic planning.

Under their leadership the business began to grow, thanks in part to John's business experience, which allowed them to leverage the network of contacts John had



had in other companies. Cole Pallet also made investments in plant and machinery to support that growth.

The company has about 40 employees who produce about 30 truckloads of pallets per week. About 90-95 percent of the company's production is new pallets. It specializes in custom pallets and builds as many as 300 different sizes and footprints. One truckload may have 15 different size pallets. Cole Pallet Services has a mill to remanufacture hard cants, 2x4 and SPF

material from mills in the Midwest and Great Lakes regions. The mill produces about 60 percent of the cut stock the company requires.

Cole Pallet Services has customers in packaging, retail, food and beverage, industrial bagging, oil and petrochemical, metals, plastics and other industries.

The company's services include heat-treating pallets for export shipments.



## Profile Technology Salutes forest Products Industry

WPA member Profile Technology recently saluted the 2.4 million workers and companies of the timber and woodworking industry with a 2-minute video. Check out <http://stewardsoftheforest.org/>.



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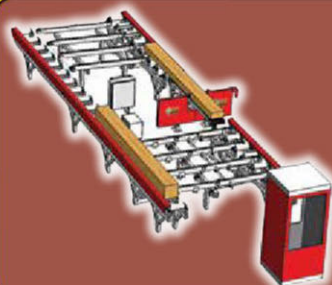


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## Bioeconomy- An Exciting Future for Forest Products World

"We have always relied on natural resources," said World Nieh this January at the WPA Annual Meeting. "When we invented fire, what did we burn? Wood. Today we call that bioenergy, and we are still investing in research on it today."

World Nieh, Ph.D. National Program Lead, Forest Products and Wood Utilization U. S. Forest Service spoke about innovation and new markets for wood products. His job, he said, is to look at the future of wood products. He was happy to share some of his insights with the audience.

From framing lumber to panel products to paper-based materials, wood has been integral to human development. Nieh then went on to discuss emerging applications. Who knew that wood is at the center of so much research, for such a wide array of products!

*When we invented fire, what did we burn? Wood. Today we call that bioenergy.*

Some of the ideas and applications presented seemed immediately practical, such as adding cellulose nanomaterials to concrete. The result is a stronger concrete, and one that requires less concrete material, and boasting a smaller carbon footprint. The Forest Service is currently working with a California county on a demonstration project.

Of course, the hottest application for wood is cross laminated timber or CLT. Large CLT panels are created by gluing solid wood boards together. Each layer of boards is oriented perpendicular to the adjacent layers. Nieh commented that

*Cont'd on Page 18*

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The North American wood products industry is a world leader in sustainable forestry practices. Wood harvested from North American forests follows some of the world's best forest management practices which have for decades provided net forest growth.

Wood is a natural and renewable resource. Wood harvested from North American forests follows some of the world's best forest management practices which have for decades provided net forest growth. Net forest growth refers to land which is reforested once the forests have been harvested; preventing a loss of forest acreage with the result being actual forest cover in North America is increasing.

Forest covers approximately 751 million acres, roughly a third of the land mass in the US<sup>1</sup>. 54% of the forest is publicly owned with the balance held in the hands of private land owners. Canada has 860 million acres of forest cover of which 94% is publicly owned and managed with the remaining 6% owned privately<sup>2</sup>.

While harvesting wood occurs under different types of land ownership, forest management is governed by federal and state/provincial regulations that ensure that forest resources are well protected for the future.

The North American wood products industry is a world leader in sustainable forestry practices. Forest certification involves independent third party assessment that companies are operating in accordance with the principles of sustainable forest management that value the socio-economic and environmental contributions of forests.



The total size of managed forests in the US and Canada under the four internationally recognized forest certification programs used in North America is 500 million acres. This represents roughly half of the world's certified forests<sup>3</sup>.

North American forestry management practices ensure that deforestation and other threats to biodiversity do not occur<sup>4</sup>.

<sup>1</sup> The 2003 and 2010 National Report on Sustainable Forests; RPA Assessment - United States Department of Agriculture; "An Assessment of Lawful Harvesting and Sustainability of U.S. Hardwood Exports" - Seneca Creek Associates LLC, 2008

<sup>2</sup> "The State of Canada's Forests Annual Report 2014" - Natural Resources Canada

<sup>3</sup> "A Guide to World Resources 2000-2001: People and Ecosystems" - United Nations Environment Programme; "An Assessment of Lawful Harvesting and Sustainability of U.S. Hardwood Exports" - AHEC in 2008 from Seneca Creek Associates LLC

<sup>4</sup> "Deforestation Canada: What are the Facts" - Natural Resources Canada; "State of the World's Forests 2011" and "2010 Global Forest Resources Report - United Nations Food and Agriculture Organization



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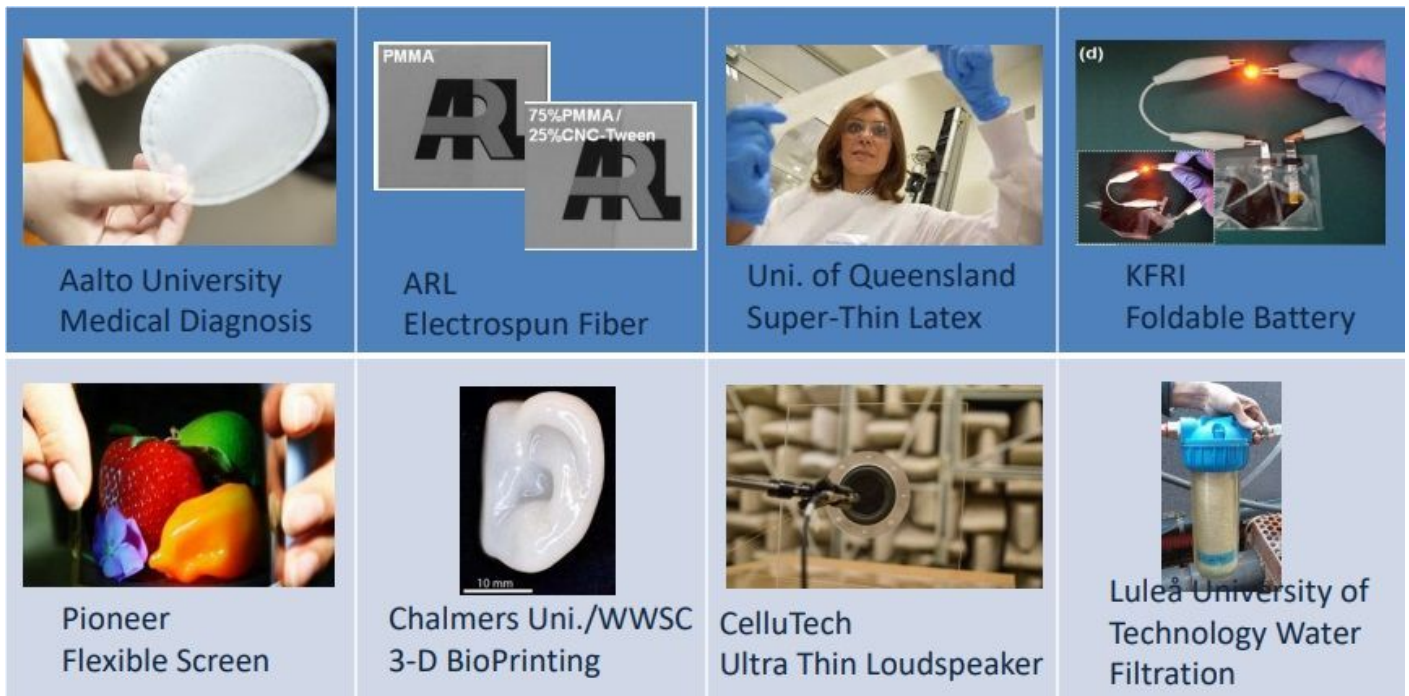
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## GT Pallet Offers a New "Angle" on Wood Pallet Design

GT Pallet representatives attended the 2018 WPA Annual Meeting, meeting with Western Pallet Magazine and others to show off its GT Pallet. The pallet is unique in terms of wood pallet design in that the deck boards are not perpendicular to the length of the pallet, but rather, run diagonally. This approach, says the company, provides a more rigid and durable pallet, as well as better product support. It is manufactured from 100% recycled wood.

The pallet has performed extremely well in testing at Virginia Tech, demonstrating its durability. The pallet is also offered with a solid one-piece recycled plastic deck. The company intends to explore collaborative pooling opportunities.

GT Pallet says to watch for more news in the months ahead!



*An amazing array of wood-based products has been developed.*

### *Cont'd from Page 15*

CLT is highly commercialized in Europe, but production is more limited in the U.S. Oregon is the most progressive state in terms of CLT projects.

In the next 10 years, renewal polymers from wood will increasingly be commercialized. Nieh noted that wood is already being used in products such as clothing, and even in ice cream, where it helps it hold its shape longer. The pharmaceutical industry also uses wood nanomaterials in products. In Japan, nanomaterials are mixed with ink in pens to enhance ink flow. Wood is used as a binder, adhesive and for other purposes.

It is used as jet fuel, but current low petroleum prices are hurting its adoption.

Cellulose nanomaterials have been used for computer chips, as a coating for food packaging. Other surprising potential applications include flexible screens, foldable batteries, 3D printing, ultra-thin latex, and ultra-thin loudspeakers.

While none of these products look like they would offer relief to wood products producers looking to get rid of their fiber, they emphasize the increasingly important role for wood in the decades ahead.





# STRANGER THINGS PALLET EDITION

## Five Key Trends that Will Change Everything in the Pallet Industry



*There are a lot of potential parallels between Stranger Things and pallet businesses, says Brindley.*

Stranger Things, the Netflix series, takes place in Hawkins, Indiana. It is like any small town in middle America. Everybody knows everybody. Nothing strange or weird ever happens there. Occasionally there might be a small crime, but it is generally a safe community. Until one day a boy goes missing.

In the ensuing search for him, the characters in the show experience a revelation that there are a lot of sinister

things going on, under the surface. They uncover an unexpected dark side, including aliens and government conspiracy.

The wood pallet industry is a lot like Hawkins Indiana, offered Chaille Brindley, speaking at the 2018 WPA Annual Meeting. There are a lot of hard working family pallet businesses. Everybody knows everybody. Things never change - until they do. Like in Hawkins, Indiana,

Hawkins, powerful changes have quietly been in motion. While they have not been necessarily apparent to operators, they are now surfacing, and have the potential to change everything.

Brindley outlined the five powerful trends that will be affecting pallet companies, including industry consolidation, e-commerce, labor challenges, automation and data.

## Markets in Transition

The market continues to change in terms of consolidation, outside investor activity and the expansion of national services. Brindley touched upon the recent announcement of Brambles selling its CHEP Recycled whitewood unit to Grey Mountain Partners, as well as outside investors which have purchased pallet companies in recent years. These transactions have included Pallet Logistics of America being bought by Silver Oak Partners and the acquisition of Northwest Pallet by Huron Capital. He also noted regional players that have been acquiring companies. There are more regional players that have gone national, including Kamps, Prime Woodcraft, BDL, and Millwood, while more brokers have also expanded nationally.

As consolidation continues, Brindley suggested that the next few years might be a good time to sell your business, if you are so inclined. Acquiring companies are looking to buy operations with attributes such as:

- Sound business with strong balance sheet and customer file.
- No bad debt.
- Right strategic location and the option to expand and buy the property.
- Non-traditional revenue streams/ product lines.
- Good core or lumber supplies, bought at the right price.
- Strong management team in place that can integrate with parent company.
- Reliable, useful data on the financials, inventory, accounts, etc.

Alternatively, acquiring companies may be interested in poorly run operations that can be salvaged, but that is not a recommended course of action for a seller, because the selling price will be low.

So how do you best prepare your company for sale? Brindley offered the following suggestions:

- Have a diverse, growing customer base.
- Make smart lumber/core acquisition decisions.
- Create a strong culture with the ability to train up and retain key personnel.
- Use data to manage company well.
- Automated production capacity with a good plant flow.
- Cost effective land/lease agreements.
- Eliminate debt.
- Maximize profits.
- Be unique – develop specialized product lines.



## Amazon Effect and the E-commerce Supply Chain

Amazon and online commerce are changing the game for pallet providers. Amazon is growing at 20% per year, registering a whopping revenue of \$22.9 billion in 2016. It has more than 70 fulfillment centers in the United States.

In terms of pallets, Amazon specifies a minimum #2 grade used pallet, with a 1A for food and grocery pallet. The acceptance of a #2 pallet, Brindley suggests, may explain why rental pallets have not dominated. Another reason for this is that Amazon deals with a lot of smaller less than truckload vendors which are not as attractive for rental. Amazon generates a lot of low quality cores.

## Labor Crunch Vs Lean Principles

"I really believe that everyone is going to have some kind of a labor issue," Brindley stated. That's why lean practices are so important. "The first thing you need to do is to examine the flows," he said.

He suggested that a company just look at one area at a time, whether raw materials, work in process, finished goods or consumables. Tackling all areas might be too much to do at once. He encouraged observation of workflow to take place while it is happening, rather than afterward.

How to get started? Brindley suggested assembling a team (various plant, levels and departments), starting with with top three categories – 5S, visual controls and safety, and total productive maintenance. And if you can only do one, Brindley stated, start with 5S. "It is important for everyone to know that the evaluation will not lead to punishment or job loss," Brindley stated. Be sure to check out the lean tool at Pallet Enterprise.

Brindley offered a comparison of "fake" lean versus real lean principles. There are a lot of companies claiming to do lean, but they fall short, as itemized on the following page.

5S is an approach for organizing and laying out a workspace for maximum efficiency and effectiveness by identifying, sorting and storing the items used, and maintaining the area and items to help sustain the newly organized areas. The five "S" words are sort, set in order, shine, standardize, and sustain.

### Fake Lean

- Has winners and losers
- Pits different parties against each other
- Seeks to place blame
- Looks at parts of a process
- Ignores some people
- Focuses on cost cutting only

### Real Lean

- Benefits at least one key party and doesn't harm others
- Works together for the common good
- Seeks to create a collaborative culture
- Analyzes the flow of the process particularly stopping points
- Seeks to be inclusive, looking for widespread input
- Focuses on process improvement

## The Golden Age of Pallet Automation

"This industry is going to have to figure out how to do more with fewer people," Brindley said. "In all of the years I have been covering the industry, I have never seen suppliers step up like they have in recent years, and I want to give them kudos." He also talked about companies which are early movers in terms of investment. "They are going to have some advantages," he said, "yet they are also going to have some pain." He referenced newer technologies such as board inspection, high speed board stackers and high speed saws. He remarked on automated banding as a technology that

*Is there someone in your company who is focused on lean? If not, you are making a huge mistake. If you have to think about it, you don't have one.*

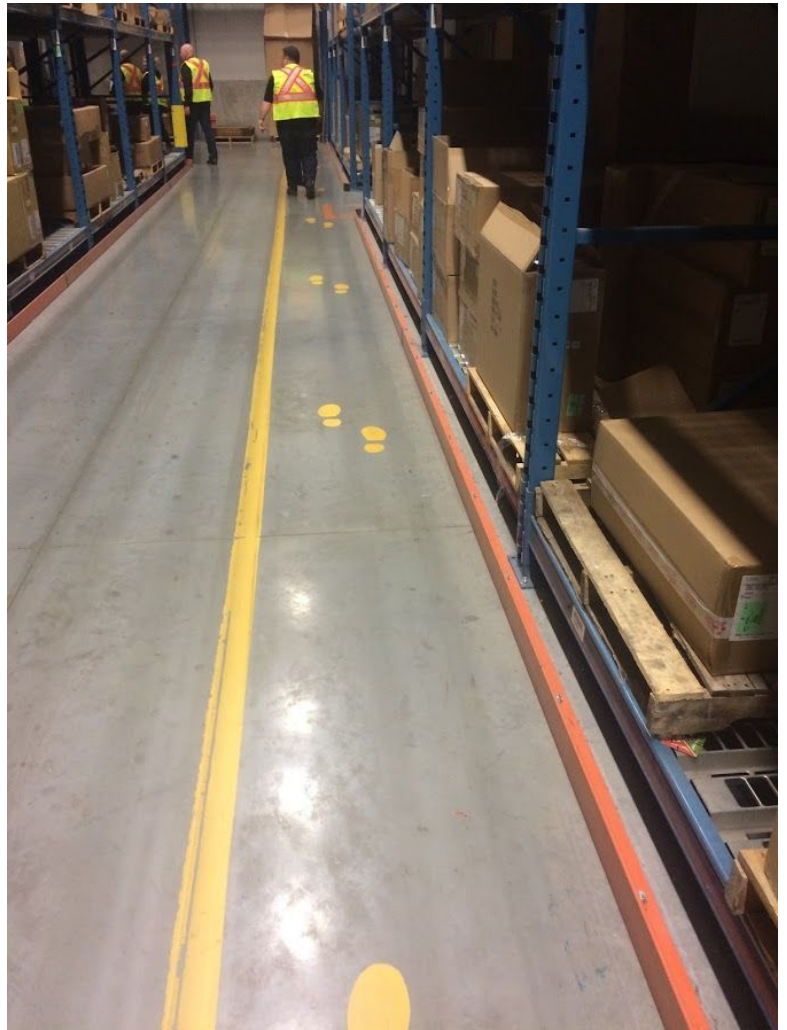
makes product look uniform and attractive. From a marketing perspective, he observed, it might be worth considering.

Brindley noted that labor shortage makes production efficiency a must have, not an option any more. Reporting on survey results for future planning, 51.4% of respondents intend to add machinery to reduce the number of people needed (not including robotics), while 49.3% intend to add employees (about 8.5 on average. About 18.2% intend to add robotics as soon as possible while 14.9% are looking to keep everything the same. Adding another shift is an option of choice for 13.5% of survey participants.

"I am all for adding machinery, but first you need to look at everything," he said. "Is there someone in your company who is focused on lean? If not, you are making a huge mistake. If you have to think about it, you don't have one. And I believe that the smart companies are going to focus on lean."



*Lean in action: An example of a visual control in a warehouse - a pedestrian walkway.*



## Data Dominance

The final trend of note is that of data. Brindley noted that multi-location pallet companies need a smart data approach for management to keep up with local issues, while customers want data to verify pricing, trailer counts, etc. Software can help improve delivery schedules and improve backhauls. Data can help identify junk accounts and problem customers. Inventory management, he stressed, is crucial when supply gets tight.

Brindley stressed that there are enterprise-level software offerings

developed specifically for the pallet and lumber industries. He emphasized that you need more than just a napkin and spreadsheet in today's business climate.

"We are your free consultants," Brindley concluded, alluding to how Industrial Reporting, his company, and its various publications aid the pallet industry. "If you have a question, we are more than happy to take a look at it. If you have questions, probably someone else does as well." Chaille Brindley can be reached at [chailleb@gmail.com](mailto:chailleb@gmail.com).

# U.S. Department of Labor Cites Pallet Manufacturer After Employee Injured by Machine

**NEW LENOX, IL** – The U.S. Department of Labor's Occupational Safety and Health Administration (OSHA) cited a New Lenox, Illinois-based pallet manufacturer, for machine safety violations after an employee was injured while conducting maintenance on equipment. The company faces \$91,832 in proposed penalties for two repeated, six serious, and three other-than-serious violations.

OSHA inspectors found the company failed to install adequate machine guards, implement energy control procedures (lockout tagout) to prevent equipment from unintentional operation, and train workers about noise hazards; and allowed combustible dust to accumulate on surfaces.

"Too often, employees are injured because companies lack adequate machine safety procedures and safeguards," said OSHA Chicago South

Area Office Director Kathy Webb. "Employers have a responsibility to evaluate their workplaces for hazards, and ensure safe operations."

The pallet company has 15 business days from receipt of its citations and penalties to comply, request an informal conference with OSHA's area director, or contest the findings before the independent Occupational Safety and Health Review Commission. View current citations.

Under the Occupational Safety and Health Act of 1970, employers are responsible for providing safe and healthful workplaces for their employees. OSHA's role is to ensure these conditions for America's working men and women by setting and enforcing standards, and providing training, education and assistance. For more information, visit <http://www.osha.gov>.



## Fewer OSHA Inspectors in the Field

Under the Trump administration, the Occupational Safety and Health Administration (OSHA) has lost 40 inspectors through attrition and made no new hires, according to Architect Magazine. The unfilled inspectors positions made up 4% of OSHA's total

workforce, which dipped to less than 1,000 employees in October. "The reduced staff reflects the current administration's effort to slow the growth of federal bureaucracy," the article reported.





# Northern California Lumber Company Finds Solution to Rainwater Runoff



For the large number of lumber operations who are waterside – neighboring a river, lake, stream or ocean, having some type of water control device is not at all uncommon. Rainwater, winter runoff or rising water levels resulting from climate change all can impact the daily exercises necessary in any lumber company.

Many older Northeastern companies whose very survival is dependent on water are well acquainted with everything from fairly primitive dams to more sophisticated types of water control barriers.

California's wet-weather water problems

over the past year have brought rampant storm water run-off across much of the state. The timber industry has been obligated to address this issue accordingly, as the California State Industrial Storm Water Guidelines strictly regulate the water management efforts of commercial sawmills.

Mad River Lumber, a small yet well-established firm located in Arcata, California faced a significant run-off problem on their 7-acre log site this past fall. Unchecked rainwater was pouring into a nearby creek, resulting in significant turbidity.



AquaDam prevented rainwater from running into the adjoining creek, allowing it to slowly dissipate into the ground.

In response, Mad River Lumber employed both Greenway Partners and AquaDam to improve their on-site water management. Nathan Sanger, Licensed Civil Engineer for Greenway Partners, chose to implement a portable AquaDam at the low-point of the lumber yard after considering several water control options. Stretching roughly 240 feet in width, with the capacity to retain 30" of water, the inflatable dams trapped the rainwater in a pool, allowing it to slowly dissipate into the ground.

Sanger praised AquaDam's ability to quickly and cost-effectively solve the problem "uniquely and in a flexible

manner", as he noted. The technology utilized on this project also had virtually zero carbon footprint. Unlike traditional dam structures such as sand bags or metal sheeting, AquaDam's material leaves behind zero hazardous waste; and the dams themselves are reusable.

As lumber companies across the west coast continue to deal with unpredictable flooding patterns, portable dam solutions are becoming increasingly important.



# Brambles Reports Strong Sales Revenue Growth, NA Cost Pressures



Brambles reported strong sales revenue in its first-half results for the fiscal year 2018, although dealing with cost pressures in North America. Its growth of 5% was primarily driven by strong volume growth in North America, Europe and Latin America pallets and ongoing expansion in its IFCO RPC businesses. Results were negatively impacted by the loss of a large RPC contract, cessation of a number of automotive contracts in CHEP Australia and cost pressures in North American pallets. These, however, were offset by increased sales and lower corporate costs.

"We delivered a return to positive Underlying Profit growth and strong revenue growth in the first half," said Graham Chipchase, Brambles CEO. "We saw improved volume growth in North America and continued momentum in our European operations, in line with good

economic growth in these regions.

"I was pleased to see a strengthening of the top line in North America with volume growth returning to historic levels," Chipchase continued. "We saw an expansion with both new and existing customers, notably in the beverage and grocery sectors. We, however, continue to face structural cost challenges partly due to changes in commercial arrangements which are increasing transport and handling costs. The impact of these changes was especially evident in the first half due to accelerating transport and other cost inflation. Our teams are implementing a number of mitigating actions including increased plant automation and other commercial initiatives."

Transportation pressure is a factor facing the North American logistics sector in general, and for a transportation-centric business such as pallet pooling (transportation cost representing more than 23% of revenue), it is of key importance. As noted in Pallet Profile Weekly, Brambles may be forced to negotiate some sort of transportation index into future contractual arrangements as they come due or reintroduce a fuel surcharge. Collaboration with trading partners to eliminate empty miles and reduce transportation costs will be more important than ever.

"We know that our customers are under cost pressure, so we are seeking to

collaborate with them – drawing on the depth of our global operations to offer insights into how they can take costs out of their operations," Chipchase said.

"Our share and reuse model gives us a great opportunity to meet the needs of our customers in the most sustainable way," he concluded. "As we continue to build our network, adding new customers and entering new markets, our aim is to use our assets even more efficiently. This will be better for our customers, consumers and the environment – and help us deliver sustainable growth and returns well in excess of the cost of capital."

## Sale of Viking Engineering to Spell Capital Partners

WPA member Viking Engineering & Development, a leading manufacturer of equipment for the wood pallet and bedding industries, has been acquired by Spell Capital Partners, according to announcement by Madeira Partners, which acted as exclusive financial advisor. Senior debt was provided by Byline Bank and mezzanine financing by Convergent Capital. Terms of the transaction were not disclosed.

Based in Minneapolis, Viking Engineering specializes in in the design and manufacturing of state-of-the art machinery for automated wood pallet and bedding production, along with related fasteners, replacement parts and service. Viking has been the industry standard since 1975 with several thousand machines in service worldwide. For more information, please visit [www.vikingeng.com](http://www.vikingeng.com).



# Burton Saw and Supply Announces Merger with Simonds International

Burton Saw and Simonds International recently announced the merger of the companies in a transaction that will create the leading producer and marketer of cutting tools and related equipment for the primary wood fiber industry. The combined entity will continue to operate in the United States and Canada with 12 facilities located in the major wood fiber regions of North America. All products and customers segments currently served by Burton, Simonds and B.G.R. Saws will continue uninterrupted during the integration process and thereafter.

Craig Tompkins, President and Chief Executive Officer of Burton Saw said: "The merger brings together the strengths of two great companies with a common goal, efficient and innovative solutions to the industry we serve. The products and services offered by the merger will enable both companies to go beyond current offerings and bring a complete solution through products, services and equipment that reflect the needs of the marketplace."

Ray Martino, President and CEO of Simonds said: "This merger will combine the two leading companies in our industry with a deep history of product innovation, quality products and customer focused organizations providing value added services to our customers. The cultures of the two companies are similar and will strengthen our service to the industry. The Burton, Simonds and B.G.R. brands are prominent in the industry and will remain a core part of the combined company in the future."

Burton Saw and Supply, founded in Vancouver, BC in 1903, originally sold only saw manufacturer supplies to the mills of Western Canada. In 1927, The Burton Saw Company moved to Eugene, Oregon and transformed itself into the leading provider of products, equipment and technical solutions to the saw filing and knife grinding rooms, as the company expanded throughout North America. F

Simonds International, founded in 1832, is a leading supplier and marketer of cutting tools and related products to the wood, pulp, paper and tree care industries. B.G.R. Saws was established in 1968, through almost 50 years of history the company developed into a sawmill source for their saw needs as well as innovative line of filing room equipment. Simonds and B.G.R. merged in May of 2017.





# Alpesa introduces pallets made from 100% recycled cardboard at MODEX 2018



Alpesa, a leading manufacturer of cardboard cores and tubes in Spain, is introducing its Úpalet® to the American market. Úpalet®, a pallet made of 100% recycled cardboard, is itself recyclable, weighing in at just 1/10 of traditional pallets made of wood or plastic.

Úpalet is produced using a patented manufacturing system consisting of concentric tubes, inserted and firmly anchored to the pallet platform.

Úpalet® can be customized with graphic art or even by size, carrying weights of up to 13,000 lbs.. The pallet is especially suitable for cross-docking merchandise directly to local stores and facilities, air freight shipments, delivery of fruits and vegetables and the pharmaceutical industry.

"Our participation at MODEX 2018 is a first step to better understand the American market where we think Úpalet® will fill a void in the supply chain both for the domestic and international shipment industry," stated Alpesa's CEO, Javier Altur.

"Our goal is to allow potential customers to see, touch and test the resistance of Úpalet® that is different from other options in the market, due to its strength, flexibility and certifications," added Sergio Altur, Alpesa's Director of New Sustainable Developments.

Alpesa is the largest manufacturer in Spain with a market share just below 20%. Its main product lines include cardboard cores and tubes with an annual production rate of 32.000 metric tons per year. The main production unit is in the Valencian town of "Tavernes de la Valldigna". Its facilities in Barcelona and Cordoba (Spain) all serve both domestic

and international markets. More than 25 years of experience and innovation emphasizing flexibility and close cooperation with its clients, Alpesa closed the 2016 fiscal year with a turnover of 22 million euros and 130 employees.

## **TIMCON to chair members' forum as industry enters "uncharted territory"**

The Timber Packaging and Pallet Confederation (TIMCON) has warned that shortages in the supply of small logs have reached an unprecedented level due to the ongoing combination of high global demand and supply scarcities.

The confederation has organized a general meeting to help its members, particularly manufacturers, understand and discuss a response to the latest developments in this area.

The meeting will include updates on UK timber supply, the state of the UK pallet and packaging market and global timber flows from a panel which includes Andrew Heald, technical director of CONFOR on UK timber supply; global timber flows by Hikki Vidgren of Pöyry Consulting; and Guy Watt of John Clegg Consulting; and

an open forum discussion for members. It will take place at the Manchester Marriott hotel on March 14th. UK and Irish sawmillers and timber importers will also attend.

Stuart Hex, TIMCON general secretary, said: "We have monitored the escalating demand and supply issues for many months and our industry now faces a perfect storm of reduced inputs and higher prices for manufacturers and our customers.

"It is crucial that our industry stays well organized and that we communicate with one another and with our customers to mitigate the effects of this situation. The meeting on Manchester on March 14th will be an essential part of this process.

"In the meantime, it's important not to lose sight of the fact that timber still remains the most economical choice of raw material for manufacturing pallets and packaging. It is also the most environmentally friendly: it is reusable, repairable and recyclable and is a vital part of the circular economy."

According to TIMCON, causes of the current timber issue are:

- High demand globally.
- High demand from China.
- Scandinavian timber flowing to construction in the US market.
- An unfavorable exchange rate caused by Brexit.
- Baltic supplies down due to unseasonably wet weather.
- Good UK demand.
- Subsidised biomass industry buying up small logs the packaging and pallet industry uses.
- Impact of the weather on the harvesting of home-grown timber.

## **RM2 Provides an Update on Its Financial Position**

Based on known information, as a result of collection of receipts from debtors as well as continued careful cash management and cost reduction measures, composite pallet provider RM2 reported on February 12 that it has sufficient cash to continue operating through the first third of the month of March, although this could vary depending upon the outcome of ongoing discussions with third parties, including manufacturing partners and alternative sources of financing.

RM2 previously announced on 19 January 2018 that it estimated its cash balance at the end of January 2018 would be approximately \$2.0 million and that it would have sufficient cash to continue operating through the third week of February 2018.

The company remains committed to further reducing its overheads and continues its efforts to monetize certain non-core assets where possible.





# Rehrig Pacific GMA Pallets Now Certified by FM Approvals



LOS ANGELES — Three of Rehrig Pacific's GMA pallets are now compliant with stringent fire safety standards. The GMA 224 non-halogenated fire retardant (NHFR) pallet, GMA 228 NHFR pallet, and GMA 232 NHFR pallet, have met Factory Mutual (FM) Standard 4996, classification of idle pallets as equivalent to wood.

To meet this Standard, plastic pallets must exhibit burning characteristics that are comparable to, or less critical than, traditional wood pallets. This means that in the case of an emergency, substantially less water is needed to put out a blaze. For warehouses, shipping centers, or storage facilities where many idle pallets are stored, this certification is incredibly valuable, helping create safer working environments for employees.

"This is a huge accomplishment for us," said Holly Maher, Rehrig Pacific's National Director of Retail. "It has taken a lot of determination, but we are proud to now offer GMA pallets that stand up to the rigorous requirements of FM Approvals. And most importantly, this achievement represents a huge step forward in our ability to serve clients in the CPG and Retail spaces."

Rehrig Pacific's GMA 224 NHFR, GMA 228 NHFR, and GMA 232 NHFR are four-way entry, HDPE plastic pallets. They are nominal 40 x 48 x 5.6 in. (1 x 1.2 x 0.142 m), meeting the strict Grocery Manufacturers Association specification. This low height enables 570 pallets to fit in a standard 53' trailer, allowing more volume than most other block pallets.



# Industrial Pack 2018 Show to Be Held in Atlanta, First Speakers Announced

**Atlanta** - New industrial, transit and protective packaging trade show Industrial Pack 2018 (taking place April 4 & 5 at the Cobb Center, Atlanta) has announced an impressive initial line-up of speakers at their inaugural free-to-attend trade show and conference.

Focusing on key issues such as the challenges of sustainability, re-usability, legislation, new materials, reconditioning and numerous other core concerns affecting the future of the packaging industry, the Industrial Pack Conference will tackle these topics and more over the course of the two-day event.

Speakers of note will include Kyle Stavig, Chair of IPANA (Industrial Packaging Alliance of North America) & CEO at Myers Container; A.J Gruber, President of ISTA (International Safe Transit Association); and Tim Debus, President & CEO of RPA (Reusable Packaging Association).

Rod Armstrong, Sales & Marketing Director at CHEP, will take the stage alongside Hawkins Food Group (owners of Pizza Hut and Burger King) to discuss how best to improve the quality and sustainability of industrial, protective and transit packaging without increasing core costs – an issue which is never far from all professional packaging experts' minds.

"We're delighted to have so many major league speakers already confirmed for this, our first, conference and event," stated Tim Rusbridge, Event Manager of Industrial Pack. "Attracting senior representatives from each of the major packaging trade associations, as well as some of the biggest suppliers in industrial packaging, not to mention top quality buyers such as Hawkins Food Group, is hugely exciting. Our visitors are going to hear from the best and get the chance to put their questions to a great cross-section of specialist experts."

The Industrial Pack Conference will run over both days of the trade show, with different speakers throughout. The full program will be revealed towards the end of February.

Alongside the conference is a full trade show with over 100 exhibitors specializing in industrial, protective and transit packaging, featuring many of the industry's leading manufacturers including Greif, ILC Dover, Tri-Sure, Industrial Container Services and Letica.

For more information on exhibitors and what's on at the show, visit the website at [www.industrialpackexpo.com](http://www.industrialpackexpo.com).

**Connect with Western Pallet Association!**



## **Upcoming Events**

3/7/2018 - 3/9/2018 NWPCA Annual Leadership Conference, Fort Lauderdale, Florida. [www.palletcentral.com](http://www.palletcentral.com).

4/4/2018 - 4/5/2018 Industrial Pack 2018, Atlanta, Georgia. [www.easyfairs.com](http://www.easyfairs.com).

4/9/2018 - 4/12/2017. MODEX 2018, Atlanta, Georgia. [www.modexshow.com](http://www.modexshow.com).

9/18/2018 - 9/20/2018. INTERPAL, Minneapolis, Minnesota. [www.palletcentral.com](http://www.palletcentral.com).



# *In case you missed them...*

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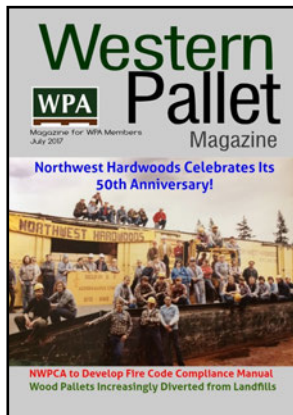
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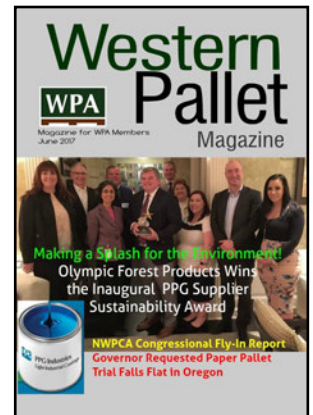
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June 2017

