

Western Pallet



Magazine for WPA Members
February 2019

Magazine

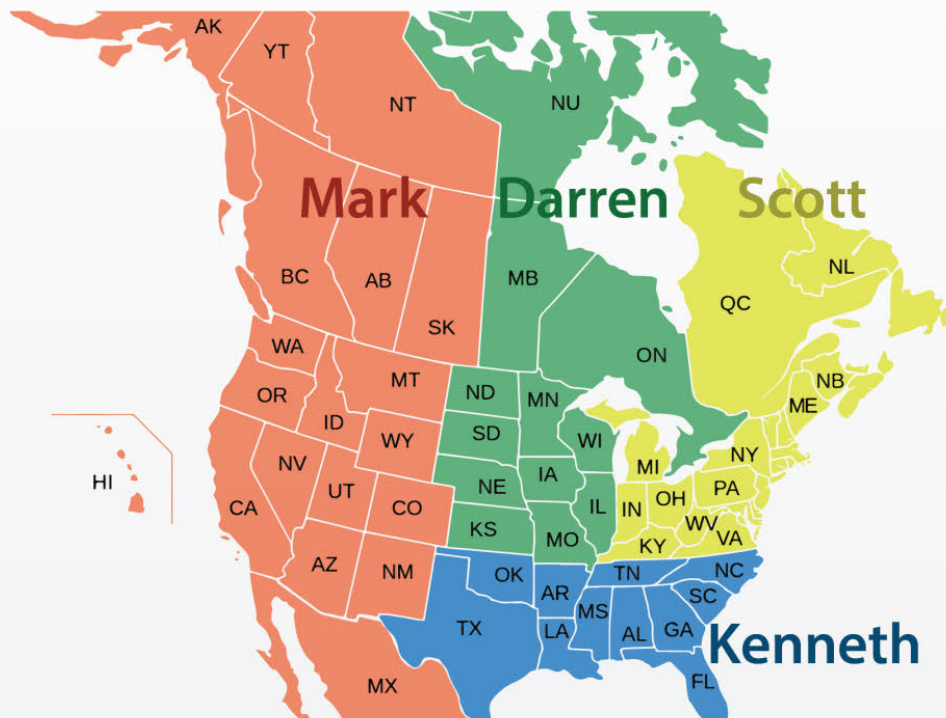
WPA Panel Sessions: Pallet Plant Automation and Lumber



- Robotic Custom Pallet Assembly
- OSHA and Dunnage Reminders
- Brambles Results

New Sales Territories from Viking

Growing our Sales Team, Growing your Business



Contact the representative from your region to set up a visit!



Mark Mitchell

Western Rockies & Pacific Region
MarkM@VikingEng.com
Office: 763-586-1229



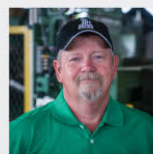
Darren Bergstrom

North Star & Great Lakes Region
DarrenB@VikingEng.com
Office: 763-586-1224



Scott Ellefson

North Eastern Atlantic Region
ScottE@VikingEng.com
Office: 763-586-1261



Kenneth Rose

South Atlantic & Gulf Region
KennethR@VikingEng.com
Cell: 612-716-6975

International Customers: Sales@VikingEng.com | 763-571-2400



Engineered, Manufactured & Supported in the USA

Viking Engineering & Development - 763-571-2400 - www.VikingEng.com





PRECISION MILLED

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 Stoddard, Director of Operations

Jeff.Stoddard@northwesthardwoods.com

541-915-9876 or 503-277-2634



FIVESTAR PALLET PLATES

"The Stringer-Mate Splicer & FIVESTAR Pallet Plates are great assets to our business. These valuable tools allow us to recycle small material that would otherwise be discarded, exponentially increasing our bottom line."

Bill Shirbroun
President

Was Broken Pallet Company, Inc
Moorland, IA



CONTACT US TODAY TO
FIND OUT HOW WE CAN
ADVANCE YOUR BUSINESS
THROUGH AUTOMATION



866-546-8864
PRSGrouplnc.com

Stackers - Conveyors - Dismantlers - Trim Saws - Band Saws - Splicers - Platers - More

Western Pallet



WPA MAGAZINE

WPA EXECUTIVE

Annie Montey	President
Beatrice Vasquez	Vice-President
Scott Gutierrez	Secretary/Treasurer
Lindsey Shean-Snowden	Past President
Dave Sweitzer	Executive VP

DIRECTORS

Caroline Beach-Skinner
Sukhi Brar
Baxter Gladden
Rod Lucas
Steve Mazza
Ralph Rupert

ASSOCIATE DIRECTORS

Ryan Greenwood
Tod Kintz
Derek Sampson
Jason Saunders

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

North American Softwood Prices

Softwood prices listed as of January
22, 2019, courtesy of NRCAN.

7

Diesel Fuel Update

Keep up to date on regional fuel
prices.

11

Stafford Inspection Acquired

Timber Products Inspection has
acquired Stafford Inspection

11

OSHA Reminders

OSHA reminders on carbon
monoxide poisoning and the March
2 reporting deadline

14

PRS SORTATION SYSTEM

"Our new PRS sort line has helped us in four bottom line buckets; productivity, work comp (no hand sorting), quality and lower pallet costs. We are also happy with service response, PRS has been there from start to finish."

Dick McCormick
Crate & Pallet
Springfield, IL



CONTACT US TODAY TO
FIND OUT HOW WE CAN
ADVANCE YOUR BUSINESS
THROUGH AUTOMATION



866-546-8864
PRSGroupInc.com

Stackers - Conveyors - Dismantlers - Trim Saws - Band Saws - Splicers - Platers - More



North American
FOREST PRODUCTS LTD.

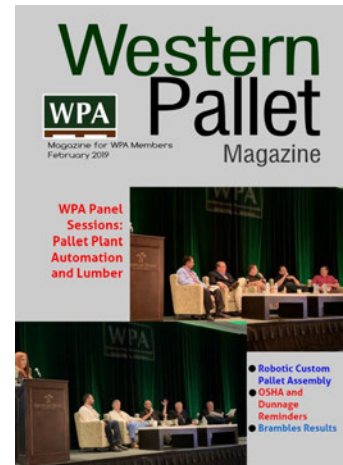
Providing Quality Pallet Stock Since 1998.

Toll-Free: 1-877-666-0220 | Email: info@naforest.com | Website: www.naforest.com

Cover Story:

Pallet Facility Automation Panel

20



Other Features

16 Virginia Tech Pallet Design Short Course in April

18 Brambles Announces 6-Month Results

24 WPA Lumber Panel: What to Expect for 2019

27 The Case for Robotic Custom Pallet Assembly

29 Don't Miss NWPCA's ALC in San Diego, March 13-15

30 CWPCA to Hold Its AGM in Victoria, BC, June 6-8

31 Upcoming Events

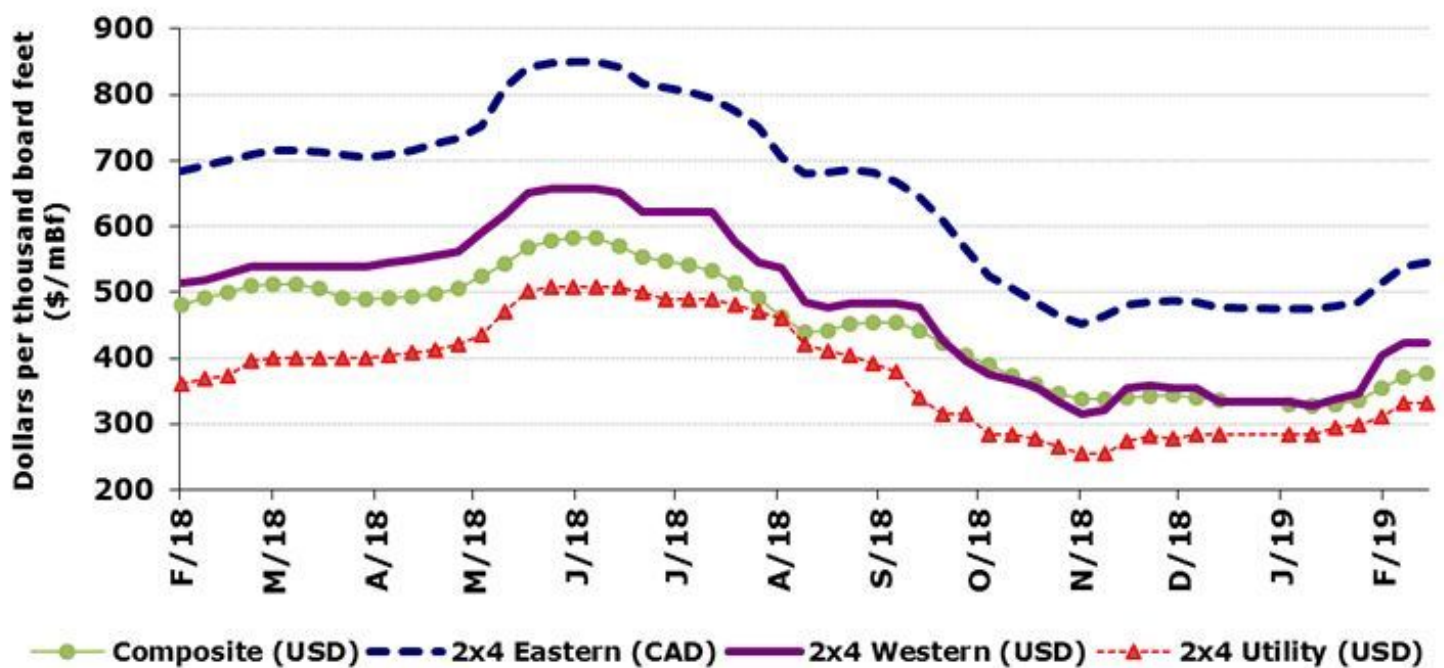
Western Pallet Advertising Sponsors

Advance Lumber
Coral - USA
Go Fast Manufacturing
Jacob A. Weaver Company
North American Forest Products
Northwest Hardwoods

Pallet Machinery Group
PLIB
PRS
Timber Products Inspection
Viking Engineering & Development

North American Softwood Prices

Weekly softwood lumber prices to February 20, 2019 are shown below, sourced at <http://www.nrcan.gc.ca/forests/industry/13309>.



Madison's Weekly Softwood Lumber Movers and Shakers to February 19, 2019. Click on graph for expanded view.

	This Week	Last Week	Change	% Trend	Month Ago	Change	% Trend	Year Ago	Change	% Trend
WSPF KD R/L 2x4	422	422	0	0.0%	338	+84	+24.9%	528	-106	-20%
WSPF KD R/L 2x6	422	416	+6	+1.4%	358	+64	+17.9%	506	-84	-17%
SYP KD R/L East Side 2x4	409	403	+6	+1.5%	375	+34	+9.1%	535	-126	-24%
SYP KD R/L East Side 2x6	344	326	+18	+5.5%	315	+29	+9.2%	405	-61	-15%
ESPF KD R/L 2x4	470	455	+15	+3.3%	405	+65	+16.0%	615	-145	-24%
WSPF KD PET 2x4 Stud	286	286	0	0.0%	276	+10	+3.6%	355	-69	-19%
WSPF KD PET 2x6 Stud	282	282	0	0.0%	246	+36	+14.6%	370	-88	-24%
Douglas Fir Green R/L 2x4	290	290	0	0.0%	245	+45	+18.4%	595	-305	-51%
Douglas Fir Green R/L 2x10	315	315	0	0.0%	300	+15	+5.0%	580	-265	-46%
ESPF KD 2x4 8ft Stud	390	385	+5	+1.3%	365	+25	+6.8%	450	-60	-13%
OSB Ontario 7/16" (CDMB/mf)	310	310	0	0.0%	320	-10	-3.1%	400	-90	-23%
CSPlywood Toronto 3/8" (CDMB/mf)	521	521	0	0.0%	521	0	0.0%	590	-69	-12%

www.madisonreport.com • madrep@shawcable.com • 604-319-2266 • MADISON'S LUMBER REPORTER



WEAVER WOOD, LLC
111 MT HIGHWAY 285 • TOSTON, MT 59643
PHONE: 406.266.4840 • FAX: 406.266.4800

New West Coast cut stock producer will be offering quality cut stock direct from the mill. Shipping via rail or truckload.

WHEN THE GOING GETS TOUGH

The Tough Get Corali.

Get ready for a simpler, more rugged solution.

Pallet makers in the U.S. and Canada face unique challenges. Lucky for you, Corali is uniquely qualified to solve these tough issues. We're Europe's premier pallet-making equipment manufacturer, with dependable U.S. based sales, parts and service. We've been exceeding expectations for over 60 years, and we have the experience and know-how to solve even the toughest problems. Get to know us, and get ready to be impressed.

513-588-3199 | Coral-USA.com | Jeff@StitchingandGluing.com

CORALI-USA

European manufactured, Cincinnati based.



National Wooden Pallet
& Container Association
Pallets Move the World®

Member



Member



Member

Get More Production AND Profit... Without Compromise!

In Today's Market, You Need Equipment That Requires Minimal Investment Yet Help You Stay Ahead Of The Competition.

Go Fast, Produce Fast, Profit Fast!

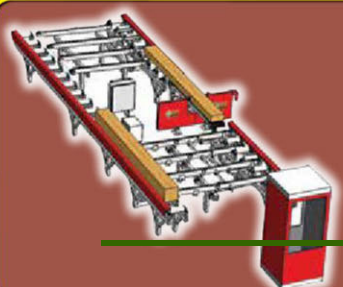


CHOPSAWS

- 24" CARBIDE BLADES - STANDARD
- 26" BLADES AVAILABLE
- 6 X 10 CAPACITY
- 7-1/2 HP MOTOR — STANDARD
- 10 HP MOTOR AVAILABLE
- MANUAL AND AUTOMATED MODELS

RESAWS

- PRODUCE PALLET LUMBER, SLAB RECOVERY, FENCE BOARD, LAPP SIDING & SHINGLES
- NEW - POWERED BELT RETURN
- QUICK AIR TENSION SYSTEM
- HEAVY DUTY ARBOR BEARINGS
- ENCLOSED HYDRAULIC PACK
- ADD BAND HEADS AS YOU NEED THEM



GRADE SYSTEMS

- 16" x 16" x 16' CAPACITY
- 30 HP GRADE RESAW
- 30" BANDWHEELS
- COMPUTER CONTROL NETWORKS
- SAW POSITION DIGITAL DISPLAY
- HEAVY-DUTY FRAME CONSTRUCTION

DEDUSTERS

- HYDRAULIC DRIVEN BOARD KNOCKER PREVENTS NEARLY ALL JAMS
- 0-700 FPM! — VARIABLE SPEED
- CHANGE FOR BOARD THICKNESS IN UNDER 60 SECONDS!
- SIDE DEBURRING BRUSH OPTION



STACKING RACKS

- STRAP CHANNELS MAKE BANDING BUNDLES EASY
- SIMPLY OPEN THE DOOR FOR FORKLIFT ACCESS
- CASTERS AVAILABLE
- CUSTOM SIZES AVAILABLE

DOUBLE-END TRIM SAW

- 20" BLADES - STANDARD
- VARIABLE INFEEED CHAIN SPEED
- PRECISION LASER GUIDES
- SIMPLY ADJUST LENGTH OF CUT WITH THE TURN OF A HANDLE
- INCLINED WASTE CONVEYOR OPTIONS



Be Sure To See What's New On Our New Website! www.gofastmfg.com

1-800-854-7439

E-Mail: sales@gofastmfg.com • Fax: 920-227-1961

We Have New and Refurbished Units Available

Notcher Systems • Single-End Trim Saws • Custom Equipment



ON TIME ON GRADE FOR OVER 18 YEARS

Specialized in Pallet Stock for Automatic Pallet Nailers

Quality Canadian Wood Mill Direct
Deck Boars / Stringers
IPPC / KD / HT / Green Stock
Truck & Rail to US & Mexico
HABLAMOS ESPANOL

WEB www.theadvancegroup.net
 EMAIL sales@theadvancegroup.net
 TOLL FREE 1-888-580-4918
 PHONE 604-580-4918

Export Using Wood Packaging and Bracing?



AUDITED BY
TP[®]



AUDITED BY
TP[®]
DUN

Let TP handle your wood packaging certifications.



TIMBER PRODUCTS INSPECTION

www.tpinspection.com

Matt McGowan
 (770) 922-8000 ext. 156
 (678) 480-2451 cell
mmcgowan@tpinspection.com

We also offer SFI certification.

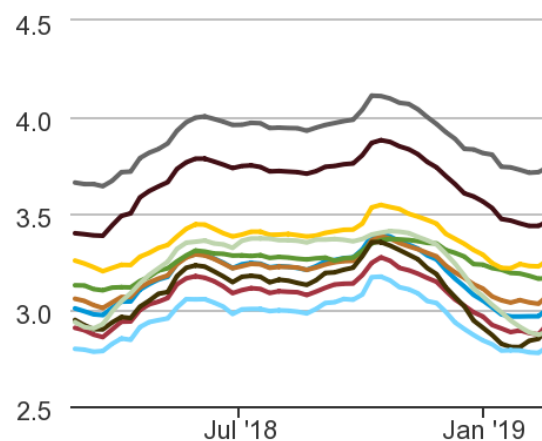


SUSTAINABLE
FORESTRY
INITIATIVE

EPA Diesel Fuel Update, Release Date: February 25, 2019

On-Highway Diesel Fuel Prices

(dollars per gallon)



[U.S.](#) [East Coast](#)
[New England](#) [Central Atlantic](#)
[Lower Atlantic](#) [Midwest](#)
[Gulf Coast](#) [Rocky Mountain](#)
[West Coast](#) [California](#)

Click on graph at right to expand.



Source: Energy Information Administration

U.S. On-Highway Diesel Fuel Prices* (dollars per gallon)

[full history](#)

	Change from				
	02/11/19	02/18/19	02/25/19	week ago	year ago
U.S.	2.966	3.006	3.048	↑ 0.042	↑ 0.041
East Coast (PADD1)	3.031	3.073	3.094	↑ 0.021	↑ 0.037
New England (PADD1A)	3.161	3.165	3.171	↑ 0.006	↑ 0.044
Central Atlantic (PADD1B)	3.225	3.256	3.286	↑ 0.030	↑ 0.031
Lower Atlantic (PADD1C)	2.872	2.927	2.949	↑ 0.022	↑ 0.043
Midwest (PADD2)	2.849	2.904	2.969	↑ 0.065	↑ 0.022
Gulf Coast (PADD3)	2.776	2.809	2.849	↑ 0.040	↑ 0.052
Rocky Mountain (PADD4)	2.870	2.887	2.913	↑ 0.026	↓ -0.023
West Coast (PADD5)	3.435	3.458	3.493	↑ 0.035	↑ 0.096
West Coast less California	3.084	3.104	3.141	↑ 0.037	↑ 0.077
California	3.714	3.739	3.772	↑ 0.033	↑ 0.112

*prices include all taxes

IT'S TIME TO KEEP UP!

If you're looking to move boards at the speed of your saw, a board stacker is important for **safety and throughput**. With the **AIT TS300 Stacker System** being capable of stacking boards up to **300+ pieces per minute**, its speed and full range of options make it easy to integrate in your operation **while reducing labor**.



SAFER. FASTER. RELIABLE.

Named for its capacity to replace two laborers on your saw line while providing **reliable performance** — the **M2L** is the tireless workhorse of our stacker series. For hands-free throughput on your line, install this board stacker behind your gang saw, resaw, or notcher. Not only will you **improve operator safety** when free from manual stacking and grading — you will **save money on labor costs each shift**.

NEED MORE SPEED?

Pallet Machinery Group has your answer with the **HY400 Saw**. Capable of center splitting, hogging, and line bar sawing up to **400 feet per minute**. This saw is designed for a variety of high-speed cutting applications in **your mill**.



PALLET MACHINERY GROUP



palletmachinery.com

info@palletmachinery.com

(540) 644-9220

Timber Products Inspection Acquires Stafford Inspection

WPA-member Timber Products Inspection, Inc. (TP) has announced that effective January 31, 2019, they have entered into an agreement to acquire Stafford Inspection & Consulting Services, LLC. (Stafford) which is currently headquartered in Orlando, Florida. Both TP and Stafford have been providing professional inspection and certification services for over 50 years and are well recognized in the Industry. This acquisition aligns with TP's objective to strengthen their position in the lumber, export wood packaging, truss and log home markets which are their core businesses.



Jeremy Williams, Controller of TP commented "The management team at Stafford has always been committed to providing dependable services and has built their reputation as a solid company based on integrity. These values are in direct alignment with the values that TP has delivered to their clients. Our hope is

that this acquisition will provide growth opportunities for both Stafford and TP employees".

Stafford will operate as a subsidiary of WRD, TP's parent company, and be headquartered out of Conyers, Georgia.

OSHA Urges Employers to Prevent Worker Exposure to Carbon Monoxide

OSHA is reminding employers to take necessary precautions to protect workers from the potentially fatal effects of carbon monoxide exposure. Every year, workers die from carbon monoxide poisoning, usually while using fuel-burning equipment, tools, compressors and pumps, gas-powered forklifts, and other devices in buildings or semi-enclosed spaces without adequate ventilation. To reduce the risk of exposure, employers should install an effective ventilation system, use carbon monoxide detectors, and take other precautions as described in OSHA's Carbon Monoxide Fact Sheet. Other OSHA resources include videos (in English and

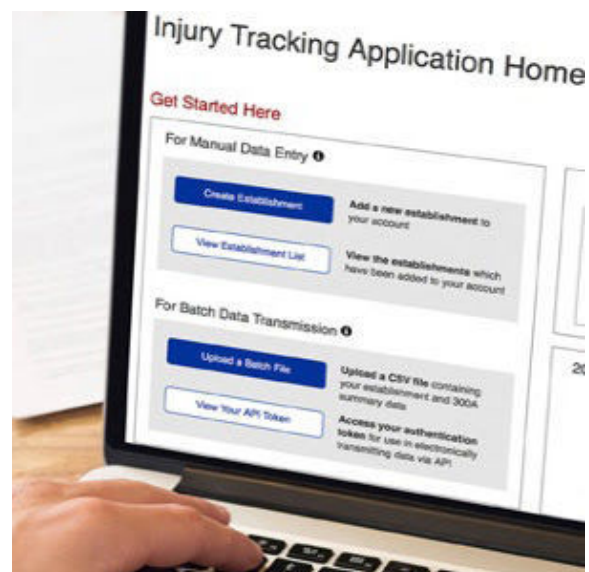


Spanish), QuickCards (in English and Spanish), and a fact sheet on portable generator safety.

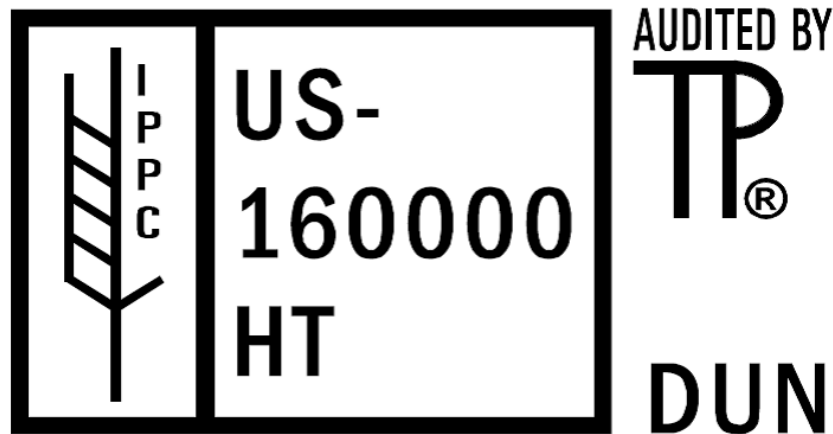


Reporting Injury and Illness Summary for 2018 Deadline Is March 2

March 2, 2019, is the deadline for employers to electronically report OSHA Form 300A data, which summarizes job-related injuries and illnesses logged during calendar year 2018. Not all establishments are covered by this requirement. Visit OSHA's Injury Tracking Application webpage for information about which establishments are covered by this requirement and to submit data.



Dunnage Reminder



It is important to remember that a facility is responsible to know how its dunnage (DUN) material is used. In ALSC's Wood Packaging Material Enforcement Regulations dated November 14, 2014, it states in Section 1.5.1:

1.5.1 Dunnage, as defined by ISPM 15 is wood packaging material used to secure or support a commodity but which does not remain associated with the commodity. As dunnage is a wood packaging product available as an individual piece of lumber it is a product with special considerations. Those considerations are:

- 1 Dunnage is not intended for use in the construction of wood packaging material pallets, crates, boxes, etc.**
- 2 The seller shall inform its customers of the requirements of its use.**
- 3 When improper use of dunnage is encountered, the agency shall take corrective action with the producer and, if necessary, the customer or owner. If for any reason the improper use is not corrected, the agency under whose**

supervision the dunnage was produced shall, at a minimum, notify the producer and the customer or owner of their responsibilities should any damages and liability arise from the improper use of dunnage.

What is important to take away from this is that it is the facility's responsibility to advise their customers of the proper use of dunnage material. It cannot be used to build multi-component WPM. It is meant to be used only as an individual piece of wood for blocking, bracing or support.

There could be liability issues related to the improper use of IPPC dunnage marked material internationally and a facility's customers should be made aware of this when they purchase this material from you. Please let your inspector know if you have further questions related to the proper use of IPPC dunnage marked WPM.

This article was reproduced from Timber Products Inspection, Inc.'s February newsletter.



Center for Packaging and Unit Load Design Announces Pallet Design Short Course April 23-25, 2019



Pallet Design for the 21st Century, April 23-25, 2019 at Virginia Tech

What is the short course about?

To be held April 23-25, 2019 at Virginia Tech in Blacksburg VA, this intensive three-day short course will teach techniques that pallet designers can use to save money when designing pallets by considering the interactions between all of the components

of the material handling system. The course will use a state-of-the-art pallet design software called "Pallet Design System" (PDS) to better demonstrate the steps that go into the pallet design process. You will also be taken on a tour of a working, state of the art, pallet testing laboratory!

Who should attend?

Pallet design is an integral part of the material handling system. Wood pallet suppliers, sales professionals, professionals responsible for pallet purchases, packaging engineers and pallet specifiers will all benefit from an understanding of how to design pallets that will last longer and perform better.

Short Course Agenda

Day 1: 2:00 p.m. – 5:00 p.m.

- Effects of pallet design and selection on materials handling costs.
- Tour the laboratories of the Center for Packaging and Unit Load Design.

Day 2: 8:00 a.m. – 5:00 p.m.

- Effects of wood materials on pallet performance.
- Fundamentals of new and remanufactured stringer class pallet design: including pallet part grades and fastener specifications.
- Practice designing stringer class pallets using PDS.
- Fundamentals of block class pallet design.

Day 3: 8:00 a.m. – 12:00 p.m.

- Practice designing block class pallets using PDS.
- Case Studies

Dr. Laszlo Horvath is the Director of the Center for Packaging and Unit Load Design at Virginia Tech. He also teaches package engineering and pallet design to both undergraduate and graduate students. His research areas include the analysis of interactions between the components of unit loads and the development of bio-based and sustainable packaging materials. Dr.

Horvath is one of the 50 ISTA Certified CPLP professionals, a member of various ASTM, ANSI, and ISTA committees.

Dr. Brad A. Gething is the Director of Science and Technology for the National Wood Pallet and Container Association (NWPCA). Dr. Gething's role includes participation in various standards bodies, promotion of research and development, and support on other technical issues related to the wood packaging industry. He also serves as a point of contact for "Pallet Design System" (PDS) software support.

Registration: \$445 for 1-3 registrants from one company, \$395 for 4-8 registrants, \$345 for 9 or more registrants. Early registration ends on March 20th, 2019. After then, add \$50.00 to each rate. The registration fee includes all course materials, CEU certificate, daily continental breakfast, lunch and refreshment breaks.

You can register for this short course by:

Calling: Erich Sawyer at 540-231-4084

Visiting: unitload.vt.edu/education/continuing-education and clicking the registration link

Lodging: A block of rooms is reserved for short course attendees at the Courtyard by Marriot in Blacksburg, VA. It is located only a mile from where the short course will be held. These rooms will be held at this rate until March 20th, 2019.

Location: Brooks Forest Product Center, Virginia Tech, 1650 Research Center Dr. Blacksburg, VA 24061

<http://unitload.vt.edu/>

Brambles Announces 6-Month Results to December 31, 2018

Brambles announced its 6-month results for the half year ending December 31, 2018. Its net profit fell 27 percent to \$US 319 million, which it attributed to higher operational costs and the end of a one off U.S. tax benefit of \$103 million from the first half of the 2018 financial year. The company reported its sales revenue had increased 3 percent (or 7 percent at constant currency) to almost \$2.9 billion.

For detailed results, including audio presentation, written transcript and slides, visit the [Brambles Results Centre](#).

In the Americas, CHEP pallet sales revenue was over \$1.1 billion, up 6 percent at constant currency. Pallet revenue in the U.S. exceeded \$831 million, representing an increase of 5 percent. Canada pallets sales revenue was \$135 million, up 5 percent at constant currency, reflecting strong pricing growth and solid net new wins. Latin America pallets sales revenue of \$145 million increased 14 percent at constant currency, reflecting strong volume growth with new and existing customers in Mexico and Central America and strong price growth across the region. "In response to sustained levels of

elevated cost inflation in most major markets, our businesses implemented surcharges and exercised contractual indexation clauses to offset three-quarters of the inflationary cost increases experienced during the period," stated Graham Chipchase, Brambles CEO. "Our teams continue to focus on aligning contractual terms and pricing with the prevailing cost-to-serve in each region.

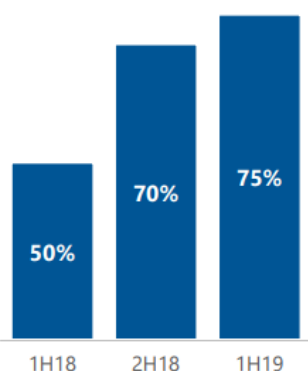
"In addition to pricing initiatives, we continue to look at our own operations and identify opportunities across functions and regions, as well as globally, to improve our performance, enhance the way we operate and increase the value we provide our customers.

Brambles reported making good progress in its accelerated automation program in the U.S., where it intends to invest \$150 million to \$160 million, through to the end of fiscal 21, to automate over 50 plants across the country. "This program remains on schedule and we have already completed 10 plant installations and have assessed and approved installations at another 17 sites," Chipchase said. "This project is a great example of how we are utilizing the Group's global best practice and expertise to benefit an individual business."

Transport & lumber inflation

~75% of inflation recovered through indexation & surcharges

Progressive cost inflation recovery through indexation & surcharges¹



1H19 market inflation

Transport

USA: +9%
Europe: +5%

Lumber

USA: +5%
Europe: +17%

2H19 considerations²

Transport

- Costs expected to increase in US and Europe, although rate of increase appears to be moderating

Lumber

- Modest decrease expected in the US
- Continue to expect double-digit inflation in Europe

1H19 impact of lumber inflation on capex: US\$11m

¹ Cost inflation recovery through indexation and surcharges in US & European pallet businesses

² Transport inflation primarily impacts the P&L, lumber inflation primarily impacts capital expenditure.

Above, a slide from the Brambles presentation. The company was successful in recovering 75 percent of inflation related to transportation and lumber increases through indexation and surcharges.

He added that the company is already experiencing some disruptions as customers prepare for Brexit by building inventory. The company has spent \$11 million to provide additional pallets.

Roughly 10 percent of the company's European business relate to cross-border flows between the UK and Europe.

WPA Members Share Their Thoughts About Pallet Facility Automation



Automation panel participants (left to right) included Jorge Eroza, Rodney Wadel, Frank Shean, Ray Gutierrez and Scott Geffros.

Attendees heard that one of the key points about automation is providing a better experience for employees rather than replacing them at the Automation Panel: Investments with Best Returns, which took place at the 2019 WPA Annual Meeting in Rancho Mirage, California.

Panel participants included Jorge Eroza of San Fernando Valley Pallet, Scott Geffros of CWPCA, Ray Gutierrez of Commercial Lumber & Pallet Company, Frank Shean of Valley Pallet, and Rodney Wadel of R&R Pallet.

Gutierrez stated that his company's greatest investment is the employees themselves. "They are the ones that can make or break your operation. We try to make sure they always operate safely, and that they have the knowledge and the abilities to be as efficient as they possibly can."

He stressed that automation doesn't reduce his company's dependence on labor. "Generally, we are not replacing machinery, but adding machinery to increase production. And when you add machinery, you need to add more people to run it."

"That being said," Gutierrez continued, "we try to invest in our employees to make sure they are happy, that they like to come to work, and that there is a good safe work environment. We feel that really helps our company."

Frank Shean noted that the pallet industry workforce is comprised of a lot of skilled labor, and automation is one way to help them be more comfortable and productive. "These people are very important to us and our industry," he said. "I respect our workforce more than I ever have, and we need to take better care of them. Hold them high in esteem in your company, because without that workforce we would not be able to run our businesses."

Automation Projects with Attractive Paybacks

Scott Geffros observed that no two pallet operations are the same, but one common opportunity he hears about from CWPCA members is automating material handling. Whether a sortation system, conveyors or other equipment, they seem to have an immediate impact on labor reduction. One CWPCA member installed an automated sorting line that reduced labor requirements by 3 material handlers and 1.5 forklift operators.

Commercial Lumber & Pallet enjoyed a payback of just over a year when it invested in a new heat treatment chamber to replace an older unit lost in a fire. While the regulatory approval process was a daunting 15-month stretch, the quick payback was made possible because of the new chamber's larger capacity, and a 3-hour cycle time versus an 8-hour cycle in the old unit.

Automated waste removal was a highly successful investment for Valley Pallet. "Years ago, we would put the dunnage in a basket, and a forklift would take that basket away to have the waste ground or dealt with," said Shean. "We decided to get away from that, so we installed waste conveying at all of our pallet teardown and repair stations so that all the dunnage is carried over to the grinder and dropped

automatically into it. And that saved us a

automatically into it. And that saved us a tremendous amount of forklift driver time. It also eliminated traffic, so it was a safety improvement as well. Payback was achieved in less than a year.

A more recent investment in automation for Valley Pallet has been automated board stackers. The investment allowed Valley Pallet to repurpose labor from stacking to other duties. It achieved a payback in less than 6 months.

Rodney Wadel and Jorge Eroza were both involved in automation projects to improve their pallet recycling operations. Wadel identified stackers and destackers as “low hanging fruit” for investment. “They probably achieved payback faster than anything else we’ve ever done in the pallet industry,” he said. “Sorting all of the pallets before they get to the repair station offered a tremendous payback really fast.”

San Fernando Valley Pallet enjoyed a rapid payback from its investment in sorting automation. “We implemented a sorting system because the stacking was too labor-intensive,” he said. The investment in the system was \$400,000, but payback was achieved in a year. Fewer people were required to do the work, while handling for forklifts became simpler. “All stacks at the end of the line are ready to go,” he explained.

Automation Preparedness for Smaller Companies

While the panelists represented larger players in the industry, they were quick to point out that they themselves started out as small operations, and that there are positive steps that smaller pallet companies can also take to improve efficiency.

“We started out in the back of an Oldsmobile station wagon,” Shean said. “It was hammers and nails, fix them and sell them, and that’s really how we got started. So all of us have been through that process.” Shean said his suggestion is very simple. It involves looking at your operation and studying the flow.

“Look at how it comes in, and how it goes out,” he said. “And then look at trying to improve that flow, trying to put work stations in the right locations, trying to get a smooth flow from the in to the out without automation.”

After efforts to improve production, Valley Pallet turned its emphasis to plant organization. “For us, there was a real emphasis on organization, on housekeeping, on inventory storing and stacking,” Shean said. “All of those things are very, very important. When you are able to improve those things, the light

YOUR FIRST STEP IN SHIPPING OVERSEAS.



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.

Pacific Lumber Inspection Bureau
Federal Way, WA 253-835-3344 • Vancouver, BC 604-732-1782
www.PLIB.org • bhaynes@plib.org



will come on, things will be moving smoother." He noted that a lot of pallet yards are constrained by space, and that they end up manually stacking pallets too high.

For his part, Eroza noted that smaller companies can start automation

incrementally, once their material flows are diagrammed and optimized. "We all started with nothing, doing everything by hand," he said. He stressed that it is possible to grow into automation incrementally with lower cost investments such as conveyors and stackers.

And while he came from an automation background prior to getting involved in the pallet industry, he only made the decision to invest in automation four or five years ago because he came to realize he would always remain small unless he invested in automation.

If at First You Don't Succeed

A common theme among participants was to be open minded about trying new things, and not everything you will try will

necessarily work. One panel member shared a story about a \$75,000 investment in a stacker that ultimately did not work in his operation because of space constraints.

"Don't be afraid to try," said Geffros. "A lot of great innovations going on, all around us. Experience is the best teacher, and out of failure often come the best results. For small operations, look at small improvements with big returns, but don't be afraid to screw up."



Lumber Panel: Will the Volatile Lumber Market of 2018 Be a Factor in 2019?

A panel of WPA Associate Member lumber suppliers participated in a lively discussion about the softwood lumber market, and what low grade lumber buyers can expect in 2019. Panel members included Tod Kintz of Pelican Bay Forest Products, Rod Lucas of Turner Lumber, Kelly DeLacy of Hampton Lumber, Mark Mitchell of SWS Manufacturing and Dan Bouchard of BP Wood.

There was some degree of consensus that the rapid rise and decline of prices in 2018 was an anomaly. Kelly DeLacy pointed out that prices were impacted by a hot housing market early in the year, the duty on Canadian lumber, rail bottlenecks, and truck driver shortages. With orders slow to arrive, customers placed other orders, resulting in too much inventory arriving at the same time, as the housing market was beginning to slow down. Two hurricanes and rising interest rates further



Lumber Panel: The Up's and Down's of Low Grade. Left to right are Annie Montey (moderator) with Dan Bouchard, Mark Mitchell, Kelly DeLacy, Rod Lucas and Tod Kintz.

rates further dampened the housing market, with the effects of Chinese tariffs also in play.

Delacy is optimistic for a more normal lumber market in 2019. "I think we are going to see things stabilize this year," he said.

Dan Bouchard of BP Wood, however, expressed concern that volatility might still be at play in 2019. He noted the shrinking lumber supply base in BC, with mills struggling to keep their log decks "wooded up" as log availability declines.

He noted that BC mills have been running at full throttle to process as much beetle infested timber while it still remains viable to do so, but that time is coming to a close. Forest fires have also played a major role, he noted, in not only destroying forests, but also in impeding logging. BC's record setting 2017 fire season was exceeded by that of 2018.

"By next year, BC will be down five or six major sawmills," he noted, stressing that significant supply will be removed from the market.

Bouchard said that he did not expect a WTO decision about Canadian softwood lumber until fall at the earliest, and then appeals process would follow. "Don't expect anything this year," said. He also noted leaner inventories. "It's a lean pipeline, so prices can react quickly," he said. "And the wild card is China. It could be another year of erratic pricing."

For his part, Tod Kintz sees the softwood lumber market running more smoothly this year. He viewed 2018 as a unique year. For 2019, he noted, "Availability seems to be more normalized, transportation more normalized, so there may be less volatility."

"We hadn't seen a market go up as fast, and go down as fast," said Rod Lucas about the 2018 softwood market. With rising prices, a world market was created. Material surged from Europe, as well as from Chile and other countries. "We even heard there was pallet stock coming in from South Africa. When the market got good it created a world market. I think we are going to see things stabilize this year."

Mark Mitchell agreed that 2018 was a perfect storm with rail car shortages, and delays. "Everything hit at the same time," he said. "Inventories are really skinny out there, so I don't see why lumber prices

shouldn't go up. Normally we have a spring seasonal buy, and that seems to be what's going on."

Advice for Pallet Companies

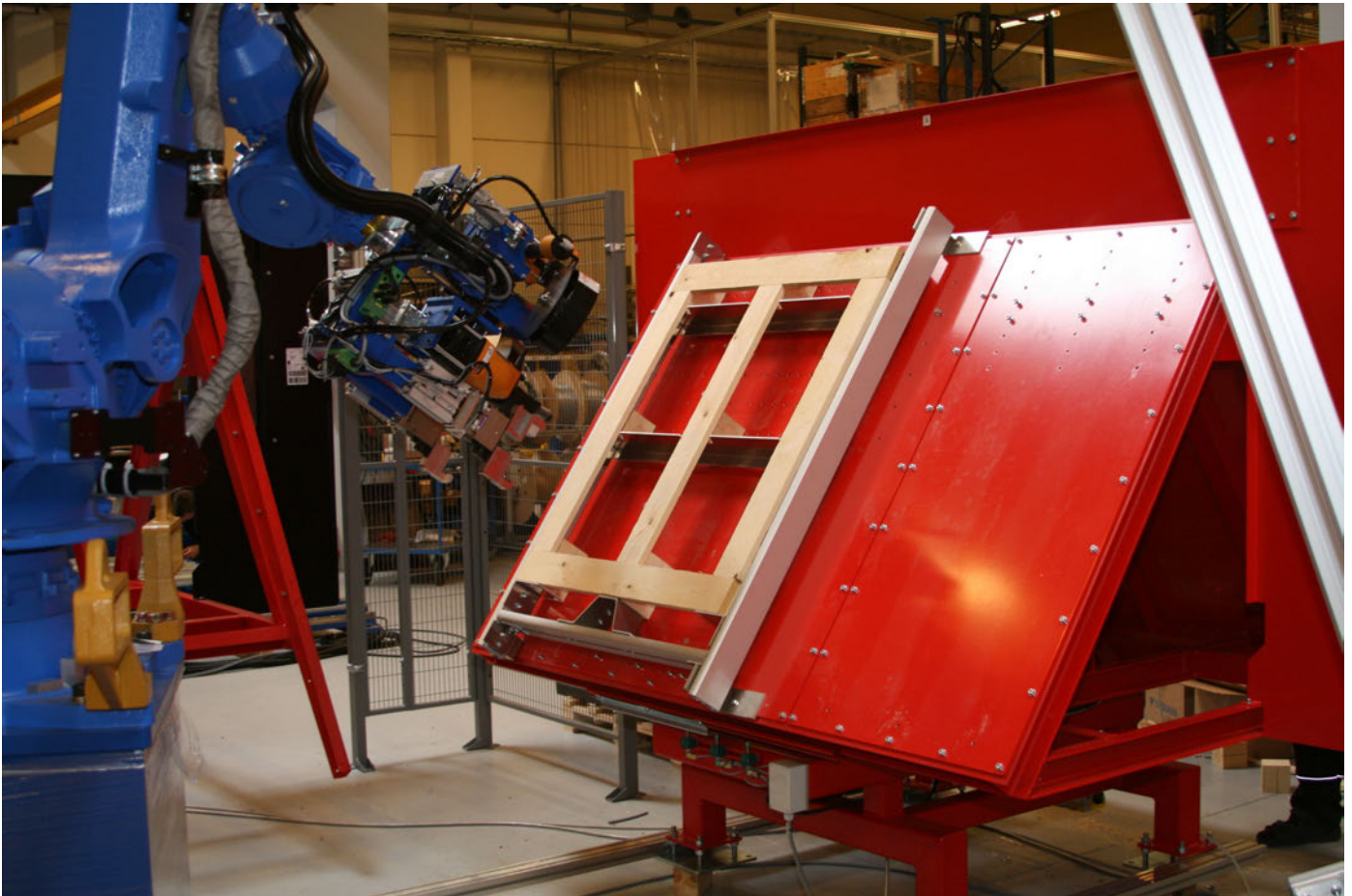
In terms of advice to pallet companies, DeLacy emphasized the importance of educating customers on macro trends to help them better understand how pricing works. He stressed that low grade pricing is tied closely to home production. "If home production is steady, you are going to have a steady high grade market, and you will have the low grade residuals." He recommended that lumber and pallet buyers pay attention to housing trends and interest rates. He also encouraged lumber buyers to stay engaged with their suppliers.

Bouchard suggested that in other countries, one way that companies reduce volatility is through buying by the quarter with 60 days lead time. It is a way, he said, for both pallet manufacturers and their customers to enjoy more stable pricing.

For his part, Mitchell encouraged pallet makers to not get caught up in trying to outguess the lumber market. "Don't speculate," he cautioned. "Just buy what you need, when you need it."



The Case for Robotic Assembly of Custom Wood Pallets



To thrive in business today, companies must respond to increasing customer demands.

"As trends for stronger, more durable and sustainable pallets grow, the need to accommodate high mix - low volume production is essential for manufacturers wanting to stay competitive," said Doug Wenninger, President and CEO of Alliance Automation, LLC (Van Wert, Ohio). "In fact,

a growing number of manufacturers are discovering that the implementation of robotic automation for the assembly of wooden pallets is helping to create a highly flexible environment where custom, higher margin products can be made." Alliance Automation, a Yaskawa Motoman qualified integration partner, specializes in robotic pallet assembly, dismantling and sortation.

The Benefits: of Robotic Assembly

While suitable for long production runs, dedicated pallet assembly machines can be costly and require significant time to complete changeover. With a robotic pallet assembly system, typical changeover time is five minutes or less, providing a more consistent production method for high mix manufacturing.

With a robotic pallet assembly system, typical changeover time is five minutes or less, providing a more consistent production method for high mix manufacturing.

Robotic automation also provides manufacturers with the flexibility needed to build custom, stringer and block pallets on the same system, supporting pallet sizes from 20 inches (50.8 cm) up to 120 inches (304.8 cm). Ideal for shorter production runs of 25 to 1,500 units, robotic pallet assembly can produce up to 50 block pallets an hour or approximately 60 stringer pallets an hour. To reach an acceptable return on investment, experts advise to consider running the automation at least two shifts.

As with any piece of capital equipment, adhering to a regular maintenance

schedule can ensure maximum robot performance for years, optimizing return on investment (ROI). Yaskawa Motoman robots are designed to run production for as long as 15 years, long after initial investment is returned, resulting in future profit.

The ROI of Robotic Wooden Pallet Assembly

Robot systems are most profitable for facilities that produce a high mix of pallet types at a high volume, or over multiple shifts. Systems can assemble about one pallet per minute (480 per shift). Fixed machinery still makes the most sense when producing high volumes of the same pallet type and size. The biggest ROI benefits come from the robotic system's ability to produce a variety of pallet types with minimal down time due to changeover.

When pricing out a robotic system, a key element for companies to think about is the potential financial gain the robotic solution can provide over the course of a targeted payback period. With consistent productivity, the majority of companies can reach payback for a capital investment within 18 months, and most likely, with consistent productivity and the manufacturing of higher-margin products, the payback will be sooner than decision makers expect.

Source: Yaskawa



2019 Annual Leadership Conference

March 13-15, 2019 in San Diego

*"From Inspiration
to Implementation"*



Learn. Share. Connect.

The NWPCA Annual Leadership Conference is the premier event for the wood packaging industry. Whether you're new to the industry or a seasoned veteran, this conference offers the most opportunities for you to connect with others, meet with exhibitors who offer products and services specific to the industry, and learn from experts who will offer valuable information you can take back to apply to your business.

Things to See and Do at ALC

- **Network** - expand your knowledge, learn from the success of others, get new clients and tell others about your business
- **Visit exhibitors** - gain an overview of the industry, discover the latest trends and innovations, get new ideas for your business, check out new products and services that are launched, find and evaluate products and suppliers to help you succeed (or solve your problems)
- **Check out the Fire Code Information booth** - have a consultation with fire

code expert Bill Koffel or just ask any questions you may have.

- **Participate in a Member Mingle**
- **Attend The Pallet Foundation Auction**
- a fun evening that raises funds to support the research and development for the industry

Location Specifics


The Manchester Grand Hyatt located in downtown San Diego is the host hotel. Discounted room rate of \$309 + tax until February 15th or when room block is sold out. Hotel rooms are nearly sold out! Fortunately, there are many hotels within walking distance.

Address: 1 Market Place, San Diego, CA 92101

Phone: 619-232-1234

[Click to make hotel reservations online.](#)

Get More Information

All event information, including schedules and a list of those already registered, is listed on the ALC page of the website. 

CWPCA Hosts AGM in Victoria, BC, June 7-9, 2019



The Canadian Wood Pallet & Container Association will be hosting its 52nd Annual General Meeting at the Inn at Laurel Point in beautiful Victoria, BC from June 7th to 9th, 2019.

According to Scott Geffros, CWPCA General Manager, "The premise of the 2019 AGM is to add more social/networking opportunities for our members and delegates, with the introduction of two receptions, a fishing excursion, whale-watching adventure, and a golf tournament. This gives you the opportunity to take potential or new customers to an event, invite potential new members to see what we are about, bring an additional employee from your company, or bring your spouse and make it a mini vacation."

There are lots of things to see and do in Victoria: hiking and kayaking for the active and adventurous, gorgeous gardens and places to walk around, and culture galore. Even coming home to your hotel room will be a treat as every guest room has a balcony that is facing the Pacific Ocean.

The meeting begins with the AGM and business session on Friday evening in combination with a networking dinner reception on the hotel's beautiful oceanfront terrace. Saturday morning will begin with breakfast, followed by a morning filled with valuable information for you and your business. In keeping with the social theme, the meeting's keynote speaker is Dr. Dave Hepburn, to present on "How to Die Young at an Old Age". Dr. Dave is also an expert educator on medical cannabis and at the end of his presentation provides ample opportunities for a Q & A period, to address any of his areas of expertise. Read more about Dr. Dave here: <https://bit.ly/2B12yHV>

Also on the agenda are Leigh Greenwood, an expert on invasive pests from the Nature Conservancy, and Brent McLendon, President and CEO of NWPCA.

For more information on registration, hotel booking and the meeting agenda, visit www.canadianpallets.com.

Connect with Western Pallet Association!



Upcoming Events

3/13/2019 - 3/15/2019 NWPCA Annual Leadership Conference,
San Diego, California. www.palletcentral.com

3/28/2019 - 3/29/2019 INDUSTRIAL PACK, Atlanta, Georgia. INDUSTRIALPACK2019

4/8/2019 - 4/11/2019, Institute of Scrap Recycling Industries ISRI2019 Annual
Convention and Expo, Los Angeles, California. www.isri2019.org.

5/8/2019 - 5/9/2019, Global Softwood Log & Lumber Conference, Vancouver, BC.
www.woodmarkets.com

5/27/2019 - 5/31/2019 LIGNA 2019, Hannover, Germany.
www.ligna.de

6/7/2019 - 6/9/2019 CWPCA Annual General Meeting, Victoria, BC. www.canadianpallets.com

10/9/2019 - 10/11/2019 FEFPEB Congress, Hamburg, Germany. www.fefpebcongress.org/

In case you missed them...

(Click on back issues to read or download)

