

# Western Pallet

Magazine for WPA Members  
January 2020

Magazine



- **WPA 2020 Annual Meeting Report**
- **Speaker Program Highlights**
- **Majority Interest in Kamps Purchased**



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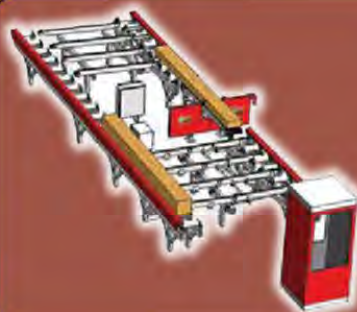


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## WPA MAGAZINE

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## North American Softwood Prices

Softwood prices listed as of Jan. 22,  
2020, courtesy of NRCAN.

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## New Members

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## Diesel Fuel Update

EPA's diesel fuel update to January  
27, 2020.

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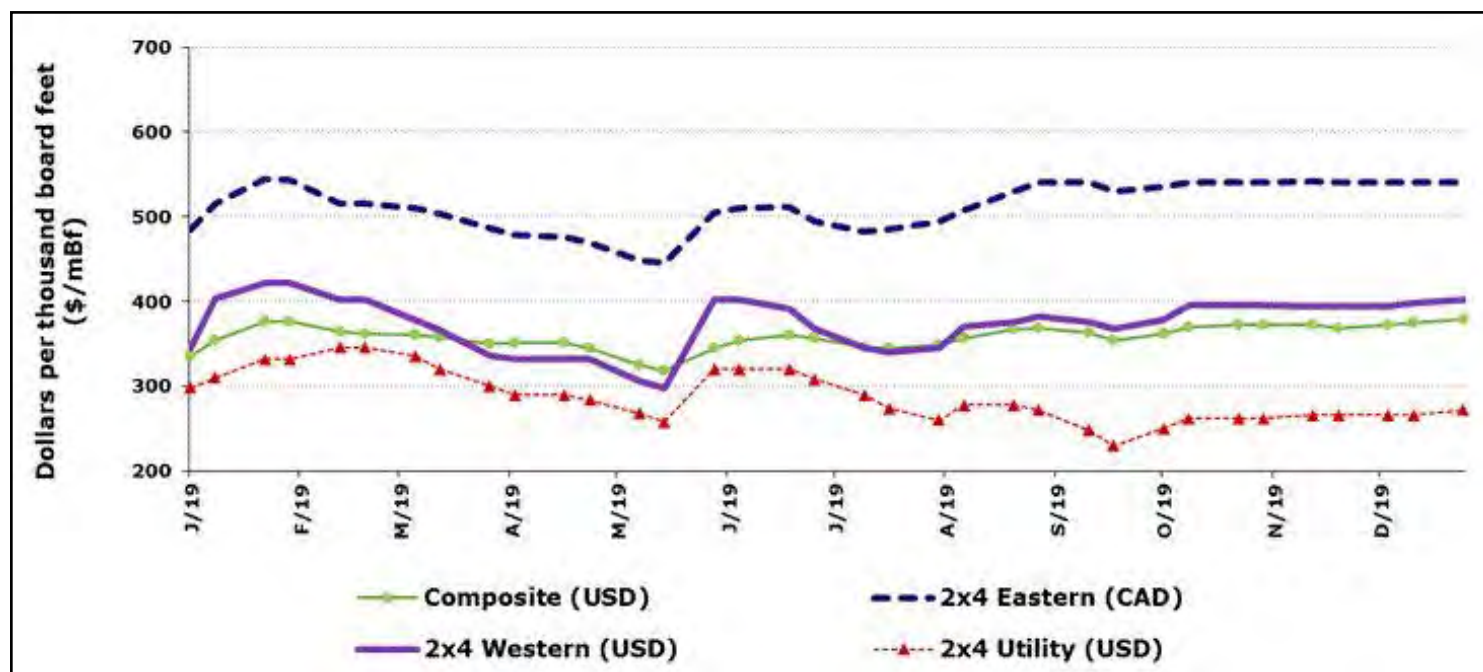
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# North American Softwood Prices

Weekly softwood lumber prices to January 22, 2020 are shown below, sourced at <http://www.nrcan.gc.ca/forests/industry/13309>.



## WPA Welcomes New Members

The Western Pallet Association is pleased to introduce the following new members:

Micaela Andersen

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Email: adane\_ramirez@yahoo.com

Sponsor: Norm Normile, NW Norm

Yamel Manjaraz

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Email: lemay72@aol.com

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***New members Cont'd on Page 8***

Adan Ramirez

JANUARY 2020

***New members (Cont'd from Page 7)***

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Web: [www.sherwoodlumber.com](http://www.sherwoodlumber.com)  
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# Residential Construction, Dec. 2019

Released January 17, 2020 ([www.census.gov](http://www.census.gov))

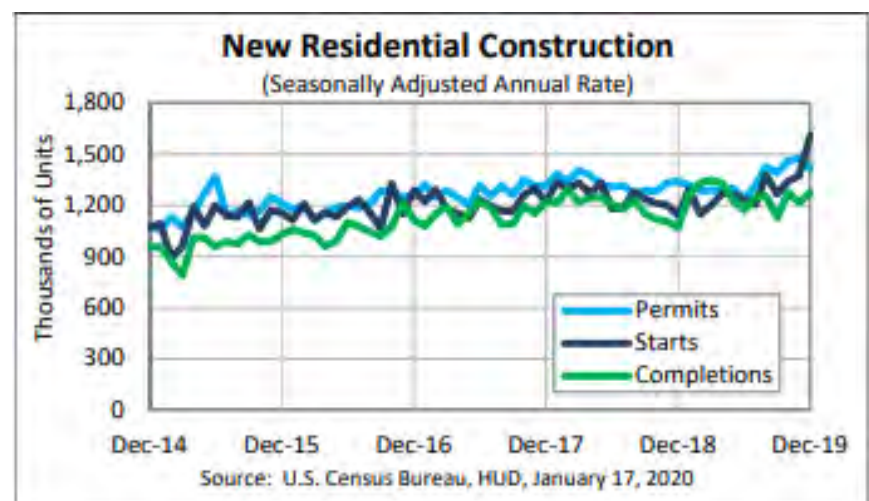
The U.S. Census Bureau and the U. S. Department of Housing and Urban Development jointly announced the following new residential construction activity for December 2019:

## Building Permits Down by 3.9%

Privately-owned housing units authorized by building permits in December were at a seasonally adjusted annual rate of 1,416,000. This is 3.9% below the revised November rate of 1,474,000 but is 5.8% above the December 2018 rate of 1,339,000. Single-family authorizations in December were at a rate of 916,000; this is 0.5% below the revised November figure of 921,000. Authorizations of units in buildings with five units or more were at a rate of 458,000 in December.

## Housing Starts

Privately-owned housing starts in December were at a seasonally adjusted annual rate of 1,608,000. This is 16.9% above the revised November estimate of 1,375,000, and is 40.8% above the December 2018 rate of 1,142,000. Single-family housing starts in December were at a rate of 1,105,000; this is 11.2% above the revised November figure of 949,000. The November rate for units in buildings with five units or more was 536,000.



## Housing Completions

Privately-owned housing completions in December were at a seasonally adjusted annual rate of 1,277,000. This is 5.1% higher the revised November estimate of 1,215,000 and is 19.6% above the December 2018 rate of 1,068,000. Single-family housing completions in December were at a rate of 912,000; this is 0.7% above the revised November rate of 906,000. The December total for units in buildings with five units or more was 357,000.



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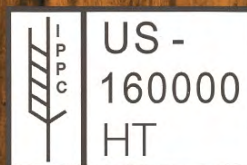
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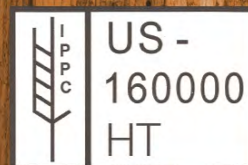
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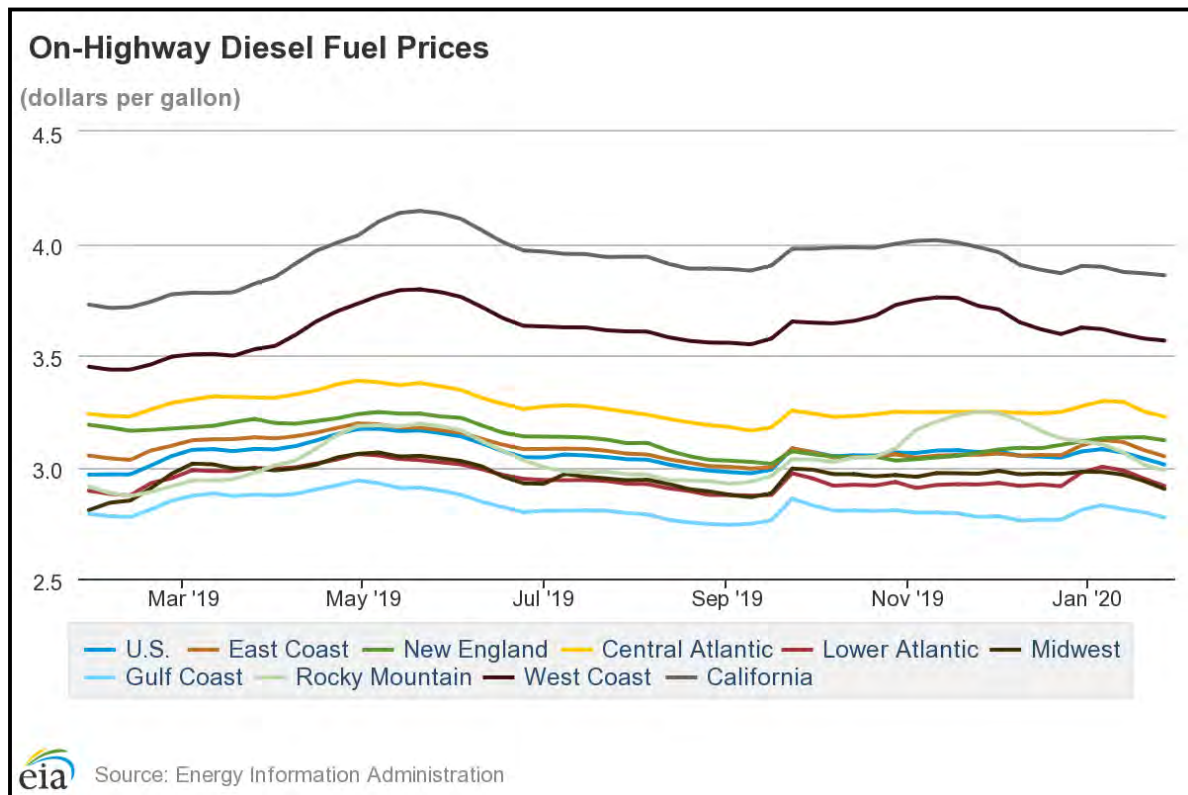
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# EPA Diesel Fuel Update

## Updated January 27 2020



## Existing Home Sales Climbed by 3.6%

Existing-home sales grew in December, bouncing back after a slight fall in November, according to the National Association of Realtors®. Although the Midwest saw sales decline, the other three major U.S. regions reported meaningful growth last month.

Total existing-home sales increased 3.6% from November to a seasonally-adjusted annual rate of 5.54 million in December. Additionally, overall sales took a significant bounce, up 10.8% from a year ago (5.00 million in December 2018).

On a full-year basis, total existing-home sales ended at 5.34 million, the same level

as in 2018, as sales in the South region (+2.2%) offset declines in the West (-1.8%) and Midwest (-1.6%), as the Northeast remained unchanged.

Compared to last month, December sales increased in the Northeast, South and West regions, while year-over-year sales are up in each of the four regions. Median home prices in all regions increased from one year ago, with the Midwest region showing the strongest price gain.

Existing-home sales in the West rose 4.6% to an annual rate of 1.14 million in December, a 10.7% increase from a year ago. The median price in the West was \$411,800, up 8.1% from December 2018.

# WPA Reveals New Vision at 2020 AGM

*Meeting enjoys record attendance at Rancho Las Palmas, charity auction raises \$84,000 for Nature's Packaging and the Pallet Foundation*



*At a special Saturday evening presentation, WPA members Steve Mazza (at left), Beatrice Vasquez, Annie Montey and Ralph Rupert (standing) discussed WPA's new strategy. Volunteers are needed for the four committees. They offer an ideal opportunity for the professional development of employees from WPA-member companies.*

Rancho Mirage, California - The Western Pallet Association (WPA) recently held its 2020 Annual Meeting at the Omni Rancho Las Palmas in Rancho Mirage, California. At the event, WPA leaders shared the organization's new vision at a special Saturday evening presentation in addition to regular activities and sessions. The meeting also enjoyed a record attendance of 290 people.

Annie Montey (President), Beatrice Vasquez (Vice-President), Steve Mazza and Ralph Rupert (both Board members) shared the new Association vision that was generated at a May session. As a result of the session, the WPA formed four separate committees related to key organizational goals including Member Engagement, State Advocacy, Revenue Streams and Resources.

At the Saturday evening presentation,



*New WPA officers include Ralph Rupert (Treasurer), Beatrice Vasquez (President), Annie Montey (Past President) and Scott Gutierrez (Vice-President).*

Montey stressed the importance of WPA member companies volunteering for these committees. She suggested that participation may provide a useful leadership development opportunity for younger employees in your organization. Speaking of herself as an "under-30," she remarked how participation as a WPA board member and officer had been an invaluable experience in her own professional development. To find out more about

volunteering, please contact the WPA office.

The WPA welcomed Jorge Eroza, San Fernando Valley Pallets as well as Jay Van Loon, J&B Pallets, as new Board members, while Steve Mazza of Bettaway Pallet Systems was re-elected. Ryan Greenwood of Craine Point LLC and Tod Kintz, Pelican Bay Forest Products, were both re-elected as Associate Members to the Board.

*(Text cont'd on Page 22)*

## Video Testimonials from the 2020 WPA Annual Meeting

(Click on the image to play.)







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*Whiteboard made a short video of the 2020 Annual Meeting. Click on the image to view.*



(Cont'd on Page 20)

JANUARY 2020







*(Text cont'd from Page 15)*

The 2020 executive includes Beatrice Vasquez (President), Scott Gutierrez (Vice- President) and Ralph Rupert (Secretary/Treasurer). The Past President is Annie Montey.

The Membership Competition was once again won by Norm Normile of NW Norm. Beatrice Vasquez, Oxnard Pallet

and Tyrone Konecny, Utah Lumber, tied for second place. The recruitment of new members is the lifeblood of the WPA.

Sunday evening featured the WPA charity auction. Once again, the skilled and entertaining Bill MacCauley of John Rock, Inc acted as auctioneer. He led the group to a WPA-record \$84,000 in donations.



# 2020 Annual Meeting Speaker Program Delivers Valuable Insights



*The wood waste panel session included Joe Flood (at left), Nick Korn, Rodney Wadel and Raymond Gutierrez. Beatrice Vasquez was the moderator.*

This year's speaker program provided many valuable insights for Meeting attendees. Several of the highlights from each speaker follow below.

**Brad Gething - NWPCA and Fire Code Update: Industry Solutions from Coast to Coast**

- Back in 2018, there were fire code changes being proposed by the National

Fire Protection Association and the International Code Council that would have been very onerous for the wood pallet industry. NWPCA was actively involved in the development of the revised requirements and was influential in ensuring that one of the underlying principles of the revised requirements would be to address the fire risk with sound operating practices. (Cont'd on Page 24)

- The result was the creation of NWPCA's Fire Code Compliance Manual ([click here to download](#).) "This is basically your Cliff notes version of how to get into compliance," Gething said. "It's a pretty straightforward approach to these new codes." There are four major components: site plan, fire prevention plan, fire emergency response plan, and security plan.

- The 2018 code changes are now being rolled out at the state level. It is important to act proactively and reach out to establish a relationship with your local code inspectors, if you have not yet done so, rather than reacting to being found in non-compliance. "That's a much more difficult conversation to have than to reach out to your code official and say, 'Hey, we have these new codes and I want to get in compliance. Can you come in and check me out?'"

- About 60% of NWPCA members have downloaded the fire compliance manual ( and it has also been distributed at NWPCA events. And while it is written to apply to U.S. pallet operations, it has been downloaded by pallet operators around the world, as well as by fire compliance officials looking to better understand pallet operations.

### ***Carly Taylor - Rising from the Ashes***

- Carly Taylor and Bryce, her husband,

have been in the pallet business for 30 years. In August 2019 they received a 3 am call that all business owners dread. Their business was in full blaze. "That morning we lost about 110,000 pallets, several loads of lumber, 11 semis, a few trailers, our grinder and an excavator. The firemen responded quickly and were able to save our office and production warehouse with no injuries or lives lost." The blaze was started by an arsonist.

- "For us, our agent was our only advocate. Choose your agent wisely when you buy a policy of these types. You're also buying the agent services as well. Make sure you have someone who will go to bat for you and makes your company the priority. Our agent spent almost an entire week at our office dealing with fire investigators, neighbors with damage claim adjusters, appraisers, and appraisers with two different companies. Your agent will help guide you through the process instead of you trying to fight the insurance companies yourself."

- Some operational changes were made following the fire, such as pulling the grinder away from wood fiber at the end of the day, parking trucks away from pallets and drains, and fueling up the trucks in the morning. Previously, they were fueled the previous evening to get them rolling more quickly in the morning.

***Guy Gruenberg - What's Next? Discover New Opportunities, Uncover Your Problems, Create Options and Execute for Success!***

- According to Gruenberg, there are three types of people. Those who make things happen, the kind of people that watch other people make things happen, and the people that don't know what's happening at all.

- Action plans help us get things done. An action plan is a very detailed and structured To-Do List. Unlike a daily to-do list, which categorizes prioritized items, an Action Plan has all the tasks related to the specific project listed in chronological order.

- He encourages strategic thinkers to look at the disruptions they see and consider what the impacts will be. For example, the projected growth of electronic vehicles will severely impact business and society: "If you're in the muffler business, the transmission business, the internal combustion engine business, you should be worried."

- He then asked attendees to consider how the rumored switch by Costco to plastic pallets would impact the wood pallet industry.

- Look outside of the ordinary when thinking strategically, for example filling their labor needs by recruiting

people from Puerto Rico. Other surprising ideas included considering buying an old fire truck to keep on-site in case of fire, and shutting off electrical power to the plant after hours.



***Guy Gruenberg is President and Chief Strategic Officer of Rose Pallet***

***Joe Flood, Ray Gutierrez, Nick Korn and Rodney Wadel - Biomass Issues: Wood Waste Residuals, Wooden Pallets, Animal Bedding, Waste & Recycling***

- Ray Gutierrez of Commercial Lumber and Pallet Company commented that the fiber being generated at one of their plants is perfect for mulch, between the  
(Cont'd on Page 26)

*(Cont'd from Page 25)*

material being found as well as fines being collected in their dust collection system. One interesting note was that the soil amendment company paid for the installation of the dust collection system in order to secure the fiber supply, with Commercial paying them back with grindings over time.

- Joe Flood, MEAJM, stressed that wood waste markets may change over time, and opportunities can change as businesses grow, for example, by being able to invest in a grinder. He noted that wood waste markets can be "really city specific." Even a 30 mile distance can make or break the viability of a particular wood waste opportunity.

- Nick Korn, Rotochopper, Inc., noted that the West Coast has extremely high disposal costs compared to the rest of the country, thus enhancing the business case for a grinder. He remarked that a decade ago there were 70 biomass power plants in California. They were an important outlet for fiber. Today, only one-third of them remain in operation. Responding to a question about grant availability, Korn encouraged attendees to check out the Carl Moyer Program offered by the South Coast AQMD (Air Quality Management District). It is a program aimed at providing incentives to help businesses shift from diesel to cleaner technologies such as electric power.

Some other AQMDs may also have

incentives in place to help with a shift to electric grinders from diesel.

- Rodney Wadel of R&R Pallet (Kansas) told the audience he has worked to develop an outlet for his wood waste with dairies. His customers have totally gotten away from wheat straw. The dried wood fiber bedding lasts three times as long as straw and it is cheaper. Additionally, the pricing is stable throughout the year. He encouraged attendees from California to look at the dairy industry as a fiber opportunity. He observed that there are a lot of dairies in the state.

### ***Grady Marshall - Captive Insurance: Risks and Benefits***

- A captive is an insurance company that insures the risks of its owner, affiliates, or a group of companies. It issues policies, collects premiums, and pays claims and is subject to all rules/regulations of insurance companies. Most companies are not familiar with the risks and benefits associated with creating or joining a captive insurance company.

- Captive insurance can empower companies to gain complete control over their insurance costs, leading to better risk management, transparency, and stable costs.

- Captive plans have seen tremendous growth. According to recent statistics, 90% of Fortune 1000 companies have some form of captive plan in place.

### ***Leigh Greenwood - Shared Opportunities in the Protection of North American Forests***

- The Nature Conservancy and the solid wood packaging industry share a mutual goal in maintaining healthy forests. One of the most challenging threats to forest health is non-native tree-killing insects and diseases. Reducing this threat is a strong common interest.

- Some of the major insect infestations of today are associated with wood packaging imports that predated the implementation of ISPM 15. One example is the Asian Longhorn beetle. It has been eradicated in Canada, and there are still three major infestations in the U.S. The most damaging insect is the Emerald Ash Borer. It entered the U.S. in multiple ways, but is thought that a majority of the introduction stemmed from pre-ISPM 15 wood packaging from Asia.

- The greatest threat is from untreated and unmarked packaging versus fraud.

- On January 1, 2020, the new bioterrorism, agricultural security standards were put in place for Customs-Trade Partnership Against

***Industrial Reporting Inc. recently completed its 2019-2020 HR survey. It found that wages have spiked over the last two years. Entry level labor was up by 18% and machine operator rates by 15%.***

Terrorism (CTPAT). In the case of wood packaging, the new standards focus on ISPM 15. As a result, Greenwood stated that incoming solid wood packaging is going to be looked at with a higher degree of scrutiny as to whether or not they conform to ISPM 15 requirements. "This is going into effect throughout the course of 2020. So violators right now are getting an educational intervention as opposed to direct penalties."

### ***Chaille Brindley - Closing the Revolving Door -- Rethinking the Labor Problem***

- Industrial Reporting Inc. recently completed its 2019-2020 HR survey. It found that wages have spiked over the last two years. Entry level labor was up by 18% and machine operator rates by 15%.

- Wages are only likely to go higher. As we move into 2020, 21 states started the year with higher minimum wages (Cont'd on Page 28) (7 tied to the cost of living and 14 to

*(Cont'd from Page 27)*

(7 tied to the cost of living and 14 to legislation or ballot initiatives).

- Customers used to focus mainly on lumber fluctuations. But now, wages and labor-related costs are a bigger portion of total pallet input costs. "If you haven't found a way to start having a conversation with your customers about not just the cost for lumber or the cost of recycled pallets, but also the costs of labor and your total cost, you need to be able to start doing that," Brindley remarked.

- While asking employees for referrals (friends looking for jobs) is the preferred method of new employee recruitment, the use of online job postings has moved up from the #5 position to #2. It flipped with temp services, which dropped to the #5 spot.

- Approaches including employee engagement surveys, formal onboarding programs that extend over a 90 day or longer time period and organizational culture building initiatives can help improve retention.



## Seneca Sawmill Training Featured in TV News

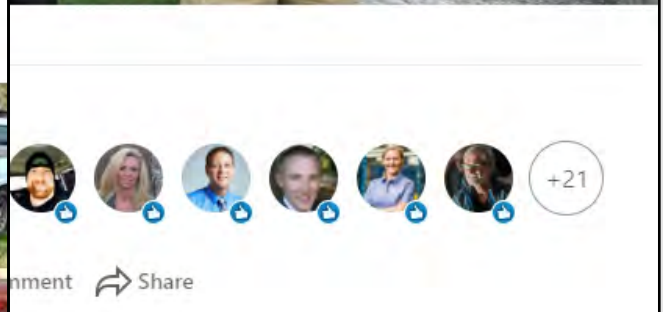
EUGENE, Ore. -- WPA-member Seneca Sawmill offers several apprenticeship programs, including electrician, millwright and saw filing. Seneca was featured on a January 27 report on KEZI. The company has a relationship with Lane Community College to help students complete the electrician program. The millwright and saw filing programs, however, do not require formal degrees.



# Social Media Roundup

*What's new in social? Click on images to check.*

To share your company's social post, email to [newsdesk@westernpallet.org](mailto:newsdesk@westernpallet.org)





Millwood, Inc. Packaging Supplies & Equipment

1,934 followers

5h • 🌐

Meet Izzy! She is a senior at the Mahoning County Career and Technical Center where she is studying creative arts and design. Izzy is shadowing the marketing team today. This morning she shot photos of a product of ours. #JobShadowing #Creativity #MeetTheShadow

MEET IZZY!

#MEETTHESHADOW

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North American Pallet Association

1 hr • 🌐

On behalf of NAPA, we would like to send a big Congratulations to Scott Gutierrez of Commercial Lumber & Pallet on becoming the new Vice President for the Western Pallet Association!



👍 You and 7 others

1 Comment

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# Private Equity Firm Buys Majority Stake in Kamps

Private equity interest in the pallet industry continues to surface. One private equity firm, Freeman Spogli & Company, recently purchased a majority share in Grand Rapids, Michigan based Kamps, Inc.

Founder and CEO Bernie Kamps will continue to lead the Company and remains a significant shareholder. Other members of the Company's management team, including President Mitchell Kamps, Chief Corporate Officer Brad Rietema, VP of Northern Operations Justin Kamps and CFO Phil Minster also participated in the transaction. Financial terms of the transaction were not disclosed.

Kamps is one of the largest pallet management service providers in North America. Founded in 1973 by CEO Bernie Kamps, the Company provides nationwide pallet management services through a network of 25 company-owned and operated facilities and commercial partnerships with 60+ national pallet partners. Pallet management and on-site services represent the entire suite of customized services needed to serve a customer's pallet management needs and include the acquisition, disposition, sorting, repair, and return of pallets as well as the management of a customer's

million pallets annually and serves over 1,800 customers with recurring needs for pallet management services in diverse end markets including the e-commerce, retail, food & beverage, industrial, logistics and distribution industries.

"We are excited to announce our partnership with Kamps, whose best-in-class service and high-quality operations have contributed to the Company's remarkable success over the last 46 years," said Jon Ralph, a partner at Freeman Spogli. "The Kamps family has successfully grown the Company from a small regional operation to a recognized national competitor in the pallet management sector. We look forward to partnering with them and their exceptional management team during this next phase of the Company's growth."

CEO Bernie Kamps added, "We are thrilled to partner with Freeman Spogli, whose extensive expertise in the value-added distribution sector will be an invaluable resource to the Company as we continue to pursue strategic initiatives in new and existing markets and capitalize on our multiple growth opportunities."

pallet inventory within its facility network. Kamps manages over 100



# News Briefs

## Conner Industries Announces Opening of New Manufacturing Facility in Oklahoma

Conner Industries, Inc., a leading provider of lumber, industrial wood crates & pallets, and engineered packaging solutions, announced today that it will open a new manufacturing facility in Tulsa, Oklahoma on February 1, 2020. [Read more.](#)

## JD Logistics Drives China's Logistics Ecosystem Development with Help of EPAL

Going forward, JD Cloud Box will use EPAL pallets as the standard logistics carriers throughout its supply chain system in China. EPAL pallets will also be integrated in JD's cross-border logistics operations. JD Cloud Box will offer repair and leasing services and provide an online platform for real-time information and transactions relating to EPAL pallets in China. [Read more.](#)

## Greystone Logistics Reports Results to November 30, 2019

Tulsa-based Greystone Logistics, Inc. has reported record quarterly sales for the second quarter of fiscal year 2020. [Read more.](#)

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Whiteboard Risk & Insurance

# Connect with Western Pallet Association!



## Upcoming Events

2/11/2020 - 2/13/2020 WestPack 2020, Anaheim Convention Center, Anaheim, California. <https://westpack.packagingdigest.com/>

3/4/2020 - 3/6/2020 NWPCA Annual Leadership Conference, Naples, Florida  
[www.palletcentral.com](http://www.palletcentral.com)

3/9/2020 - 3/12/2020 MODEX 2020, Atlanta, Georgia  
[www.modexshow.com](http://www.modexshow.com)

4/29/2020 - 4/30/2020 Wood Pallet Design & Performance Short Course  
Omni Hotel, Richmond, VA [www.unitload.vt.edu/education/continuing-education/](http://www.unitload.vt.edu/education/continuing-education/)

5/10/2020 - 5/14/2020 LIGNA, Hannover, Germany  
<https://www.ligna.de/>

***In case you missed them...***

(Click on back issues to read or download)

