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Mid-Continent Announces Layoffs in Wake of Steel Tariff

Fire at Sonoma Pacific

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North American Softwood Prices

Western Pallet

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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

Softwood prices listed as of June 19, courtesy of NRCAN.

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WPA New Member News

The WPA is proud to introduce its latest new members.

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Millwood Opens New Plant

The Smyrna TN location is the company's 29th facility in the U.S.

8

WPA Accomplishments

WPA was active again in 2017-2018, with a subtantial list of accomplishments to report.

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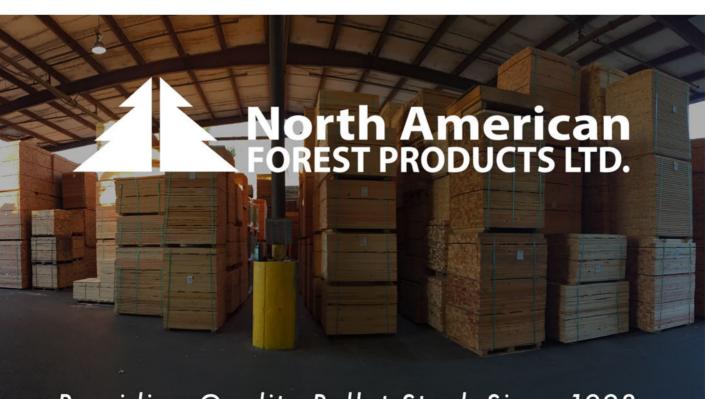
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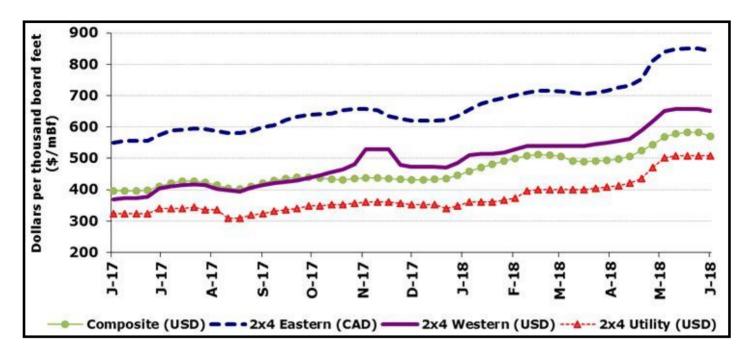
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North American Softwood Prices

Weekly softwood lumber prices to June 19, 2018 are shown below, sourced at http://www.nrcan.gc.ca/forests/industry/13309.



WPA New Member

The WPA strives to grow membership in order to better serve its members. This month, we are pleased to welcome the following new member:

Justin Graham Centurion Lumber Ltd 3070 Henry Road Chemainus, BC VOR 1K0 Ph: (250)246-4791 Fax: (256)246-2227 Web: www.centurionlumber.com Email: justingraham@centurionlumber. com

On the Move

Longtime WPA supporter Dean Ponak is now at WPA member Griff Building Supplies.

Contact Dean at (604) 449-7308 or by mobile at (604) 817-5769.

Reach Dean by email at dponak@griff.ca

Millwood Inc. Opens New Facility in Tennessee

Millwood Opens 29th U.S. Facility

WPA member Millwood Inc.'s newest operation opened June 18 in Cleveland, TN, about three hours south of its pallet repair plant in Smyrna, TN.

This location is the 29th Millwood location across the United States and will service several long standing customers with quicker service and lead times.

Pallets of all sizes will be manufactured, sorted, repaired and purchased for several large beverage manufacturers in Cleveland and Chattanooga. The company also purchase used pallets at this location from locals in the Cleveland area.

"Cleveland has a skilled workforce that values steady employment," said Joe Commodore, plant manager of our Smyrna location. "It is also located reasonably close to the Chattanooga and Knoxville metro areas."

"It also means additional supply and will allow for local Just In Time (JIT) service and total pallet management programs," said Dan McCollum, regional sales manager – Tennessee valley.



"This new location will allow me to better service existing accounts, and it opens opportunity for new business," McCollum said. "It means continued growth and expanded coverage to better service key accounts."

Commodore and Lanny Lester, plant manageratthe new location, spearheaded planning and will continue to work closely while the team in Cleveland is trained.

"It was a team effort by several members of the Millwood team to get to this point," said Galen Miller, regional white wood manager. "We look forward to continue that work in the future to ensure the success of the Cleveland location."





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Western Pallet Association Activities and Accomplishments for 2017-2018

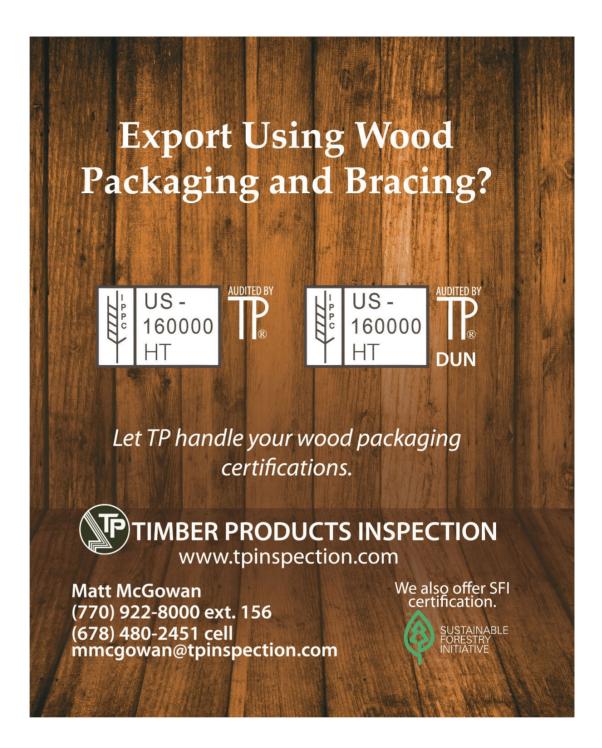
- ♦ The Association welcomed 27 new members.
- 2018 annual meeting auction raised \$77,010 to help support The Pallet Foundation and Nature's Packaging, a joint promotion of wood pallets & packaging by WPA, NWPCA, and CWPCA.
- The Association's monthly, trendy, digital Western Pallet Magazine continues to be well read and self-supporting with ads placed by members. Several member news articles were published in the newsletter.
- The annual meeting reached record attendance, featured an outstanding lineup of speakers, and hosted a very successful meet & greet opening reception.
- Increased active communication through social media with regular input on Facebook and Twitter.
- Continued to hold quarterly teleboard meetings and all members were invited to listen in.
 Began holding abbreviated teleconferences between quarterly teleboard meetings to keep a closer tab on issues and planning.
- Provided a way for interested companies to get recognition by sponsoring an activity at the annual meeting.

Goals for 2018-2019:

- ♦ Welcome 25 new members, many of which will be from the Hispanic sector.
- Use a survey source to query all members to determine top-of-mind issues upon which the industry can work.
- ♦ Expand exhibitor recognition for Associate members at 2018 Annual Meeting.
- ◊ Bring lumber price trends reporting to fruition.
- Work on the possibility of a study on the topic of 48 x 40 stringer supply.
- Continue to encourage member involvement in the Association on committees and attendance at the Annual Meeting.
- **OMAINTAIN A CLOSE WORKING RELATIONSHIP WITH NWPCA AND CWPCA ON CRITICAL INDUSTRY ISSUES.**
- ◊ Discuss fraud in the industry.
- **Overlap a safety manual in English and Spanish as well as a Best Practices manual.**

Western Pallet Association

P.O. Box 1095 • Camas, WA 98607 • Phone 360-335-0208 • Fax 360-835-1910 Web: www.westernpallet.org • Email: wpa@westernpallet.org



Membership Dues Now Due

Membership dues for the 2018-2019 year are now due. Help ensure a better future for your business and the wood pallet and container industry by supporting the Western Pallet Association.

Associate members can renew at this link.

Regular members can renew at this link.



Mid-Continent Steel & Wire Announces Layoffs in Wake of Tariffs

Steel tariffs could force the nation's raised its prices to cover the higher steel largest nail manufacturer to close or move to Mexico, according to a recent report by CNN. WPA member Mid-Continent Steel Mid-Continent & Wire laid off 60 of its 500 workers at Glassman told CNN that the company is in its production plant in Poplar Bluff, Missouri, last week. because of increased steel costs. The 25% tariff on imported steel has increased steel costs. Orders for nails were down 50% after the company

costs.

spokesman James danger of shutting production by Labor Day unless the Commerce Department grants it an exclusion from paying the tariffs.



KOLR10 News Report: Local Nail Company says They Are Suffering under Trump Administration's Tariffs (Click the image above to play).



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Upcoming Events

8/21/2018 - 8/23/2018 Wood Pallet Design and Performance Short Course, Blacksburg, VA www.palletcentral.com

9/18/2018 - 9/20/2018 INTERPAL, Minneapolis, Minnesota. www.palletcentral.com

9/19/2018 - 9/21/2018 Western Hardwood Association Annual Convention, Portland, Oregon www.westernhardwood.org

9/25/2018 - 9/27/2018 Wood Pallet Design and Performance Short Course, Blacksburg, VA www.palletcentral.com

1/18/2019 - 1/22/2019 WPA Annual Meeting, Rancho Mirage, California www.westernpallet.org

INTERPAL Registration Open Early Bird Rates Only Until June 30



Interpal registration is now open!

Interpal is an international conference held every four years for the global wood packaging industry. The last time Interpal was held in North America was 2009. NWPCA is excited to be co-hosting Interpal 2018 with our Canadian counterparts, CWPCA.

This year, Interpal is being combined with the Fall Plant Tours, making this event a definite must-attend. In addition to the plant tours, there will be featured speakers, educational sessions, an expo, and of course, a lot of networking!

The last two years, plant tours have sold out. This year, industry professionals from all over the world will be attending, so please make sure to register early!

Plant Tours - IMPORTANT to read!

Because of the magnitude of the event, there are two options for tours: a North

and a South tour. When you register, you'll be required to choose one. Please ensure you've reviewed the options prior to selecting, as that is how you'll register.

Cost

Early bird registration is \$745, until June 30th. The price increases to \$895 July 1st. Spouse registration is \$295, (tours not included). All prices are USD.

Hotel

The host hotel is the Hyatt Regency Minneapolis. The negotiated room rate is \$199/night + tax (USD). Click to make reservations online.

Exhibiting

If you'd like to exhibit at Interpal 2018, please email Mark Barford or call +1-703-519-0186. Please note that space is limited.

Click here to register for Interpal.





Advertisement

Fire at Sonoma Pacific Causes \$200K Damage

WPA member Sonoma Pacific Company was struck by fire on June 5, according to news reports. Around \$200,000 in damage was caused, primarly due to the destruction of a heat treatment chamber.

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The wood fire spread quickly, and ignited a 1,000-gallon propane tank which exploded in a fireball. The tank itself was hurled up and away from the blast, landing over 500 feet away in the middle of the eastbound lane of Fremont Drive, aka Highway 121.

The fire was much smaller than the one five years previous due to safety equipment on site. After local wildfires in October, the company had purchased a 2,000-gallon water tank, "a critical tool in an area of the county that lacks fire hydrants."

As of June 7, Thomas Thompson, the company owner, told the Sonoma Index-Tribune, "The company is operating again and the 42 employees are busy making pallets and fulfilling orders."

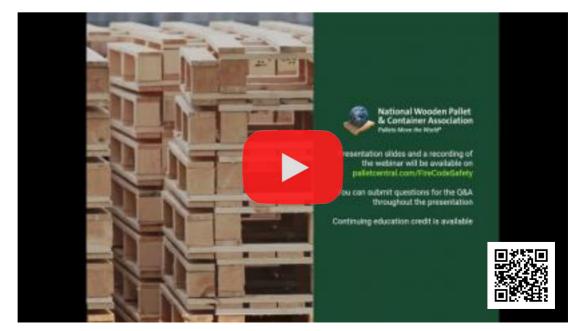


KPIX CBS SF Bay Area video: Large Fire at Sonoma Pallet Manufacturer (click on image to play).



Outdoor Storage of Wood Pallets: Are You in Compliance?

In this 90 minute webinar replay, NWPCA Director of Science & Technology, Dr. Brad Gething, and fire code expert and President of Koffel Associates, Bill Koffel, will provide a comprehensive understanding of the new 2018 fire codes on the outdoor storage of wood pallets at manufacturing and recycling facilities. Click on the image below to play.



Global Timber and Wood Products Market Update

- a news brief from Wood Resources International LLC

Lumber markets – North America

After softwood lumber consumption in the US reached a ten-year high in 2017, demand fell in early 2018. Despite the reduced first quarter consumption, lumber production on the US west coast was actually up by 9% y-o-y when compared to the 1Q/17 due to strong demand from China. In fact, shipments to China during the 1Q/2018 were up almost 50% as compared to the 1Q/17.

While lumber production in Canada's eastern provinces increased slightly in early 2018, sawmills in British Columbia reduced their production by an estimated three percent in the 1Q/18 as compared to the 1Q/17. Production levels were down partly because of lower demand for wood in the US during the winter season, but also because of reduced availability of logs due to severe weather conditions. The weather also impacted lumber shipments by rail, resulting in substantial slowing in exports from BC.

Lumber markets – Northern Europe

In the Nordic countries, the sawmilling industry has seen their markets improve both in regard to demand and to pricing during the past year. Although export

volumes declined somewhat in early 2018 as compared the same period in 2017, prices increased, reaching the third highest level seen in the past decade (in local currencies). Sawmills in Finland and Sweden have increased their presence in different markets in 2018, with Swedish sawmills predominantly expanding sales in Europe, and Finnish exports increasing to the Middle East and Japan, reports the Wood Resource Quarterly (WRQ). Both countries reduced sales to China during the typically slow season of January and February when the Chinese New Year is celebrated.

Lumber markets – China

Demand for wood in China slowed in the 1Q/18, following a record-2017, with import volumes of softwood lumber falling to their lowest levels since the 4Q/16. Imports from Canada fell the most, with quarterly shipments reaching an eight-year low in the 1Q/18. The Nordic countries have filled the gap where Canadian suppliers have pulled back. In the 1Q/18, lumber volumes from Finland and Sweden accounted for 12% of total imports, a doubling of their market share as compared to 2015.

Lumber market – Japan

The record high softwood lumber prices in the US have impacted the costs for North American lumber imported to Japan in the past six months. In May 2018, prices for US Douglas-fir lumber (45x105) and Canadian hemlock lumber (45x105) delivered to Japan reached their highest levels for the month of May since 2013. Lumber import volumes to Japan have been sliding for three consecutive quarters and were down to 1.46 million m3 in the 1Q/18 as compared to 1.6 million m3 in the 2Q/17. The biggest declines in lumber supply over the past year have been in wood coming from Canada and Finland; Sweden, Chile and Russia have all increased their market shares.

Lumber market – Russia

Russian lumber exports reached an alltime-high volume of 28 million m3 in 2017, up 10% from the previous year, a doubling of exports from ten years ago. Exports to their primary destination, China, fell 19% y-o-y. It is interesting to note that 20 years ago, eight of the ten major destinations for Russian lumber were in Europe, while in the first quarter of 2018, only three European countries made the top-ten list, according to the WRQ. Average export prices have trended upward in both US dollar terms and rouble terms over the past two years, with the biggest increases occurring in lumber sold to China, Uzbekistan and Egypt

New Record for Pallet Dominoes

Here is yet one more curious thing that can be done with pallets. The mark of 1,377 sets a mew Guinness Record. Click on the image below to watch.



Builders Discuss Rising Lumber Prices with Commerce Secretary Ross

Randy Noel, chairman of the National Association of Home Builders (NAHB) and a custom home builder from LaPlace, La., issued the following statement after the NAHB leadership met on June 19 with Commerce Secretary Wilbur Ross to discuss the growing problem of escalating lumber prices that are being exacerbated by tariffs on Canadian lumber imports into the U.S.:

"Today, we discussed with Secretary Ross our mutual concern that lumber prices have risen sharply higher than the tariff rate would indicate, and that this is hurting housing affordability in markets across the nation. Rising lumber prices have increased the price of an average single-family home by nearly \$9,000 and added more than \$3,000 to the price of the average multifamily unit.

"We applaud Secretary Ross for acknowledging the gravity of this situation and expressing a willingness to look into the possibility that factors other than the tariff may be manipulating the market.

"We also encouraged the secretary to return to the negotiating table with Canada. It is essential that the two sides resume talks and hammer out a long-term solution to this trade dispute that will ensure U.S. home builders have access to

a stable supply of lumber at reasonable prices to keep housing affordable for hard-working American families."

Also read: No, the So-Called Trump Lumber Tariffs Will Not Threaten the US Housing Recovery

New Home Sales Jumped in May

Meanwhile, sales of newly built, singlefamily homes rose 6.7 percent in May to a seasonally adjusted annual rate of 689,000 units after a downwardly revised April report, according to newly released data by the U.S. Department of Housing and Urban Development and the U.S. Census Bureau. This is the second-highest sales report since the Great Recession.

"Sales numbers continue to grow, spurred on by rising home equity, job growth and reports of a greater number of millennials entering the single-family housing market," said Noel.

Growth may slow in the near future, however. Single-family permits fell 2.2 percent to 844,000 while multifamily permits fell 8.7 percent to 457,000.

NextPallet[™]: New Hybrid Wood-**Corrugated Pallet Poised for Debut**



NextPallet features a wood frame with a corrugated wrap. It is looking to partner with wood pallet companies for the manufacture and marketing of its patented technology.

GaynesLabshascompleted testing on the on sustainability. And it uses 100% wood-corrugated hybrid new NextPallet[™] supporting 2400 lbs. At just 26.5 lbs., the heavyweight version of the NextPallet hauls and racks like much heavier wood pallets (See test results). Start-up NextPallet expects lightweight will standard versions weigh and between 15-19 lbs.

"The basic structure is a wood skeleton, and then recycled corrugated gets wrapped around the wood skeleton," explains Tod Ginnis, NextPallet president. "It is adhered with an industrial adhesivea hot melt glue. The structure with the glue is stronger than natural wood." Once it is loaded with merchandise, the pallet's integrity is not affected by exposure to moisture or rain. he notes.

Since it is reusable, recyclable, and saves fuel (based on its lighter weight), the company states that NextPallet delivers 22 WESTERN PALLET

recycled corrugated from Pratt Industries. The NextPallet offers upfront savings to air freight and LTL shippers who pay by weight. Others will save by adding more cargo to shipments before reaching weight maximums. The NextPallet also features RFID and custom printing.

And customers won't have to pay up for this performance, according to Ginnis. He states that the lightweight NextPallet will be priced competitively with wood. "A shipping pallet that light can save a lot of money, as long as we can convince the user that it can handle the load," he continues. "We want to prove ourselves, and that is what the testing is about. And as the word gets out, we want to get these into the hands of distributors.

Cont'd on Page 26.

Kamps Pallets and Corrloc LLC Announce Strategic Partnership

Kamps Pallets, a national pallet company headquartered in Grand Rapids, MI, has announced a partnership with Corrloc LLC, a corrugated pallet and packaging company.

Dan Gibson, Corrloc co-founder, says, "Corrloc will be widely adopted in the market place due to its cost to strength ratio. Our customers will no longer have to choose one or the other, it will be based off what best fits their needs.

"Because Kamps is a recycling company at its core, Corrloc was a perfect fit for us. It can be manufactured from recycled materials, and itself is 100% recyclable as well," said said Brad Rietema, Kamps Executive VP of Corporate Services. "This product will allow Kamps to offer multiple solutions to our customers in both wood and paper, for their pallets, bracing, dunnage and packaging needs. We are very excited to partner with Corrloc and offer the product on a national scale."

Kamps plans to add Corrloc technology and manufacturing to its national network and work with existing, and new customers to see how Corrloc can best benefit them. The first CorrLoc manufacturing site was fully operational in Niles, MI in May of this year.



Corrloc offers many different packaging solutions including pallets, dividers, braces, rails and cases. Each solution is engineered to meet specific packaging needs.

ict will allow Kamps to offer ple solutions to our customers in wood and paper, for their pallets, ng, dunnage and packaging needs. re very excited to partner with oc and offer the product on a nal scale." Splans to add Corrloc technology manufacturing to its national ork and work with existing, and new

Scott Timber and Pallet 24 Create a JV to Launch Pallet 2 Packaging LTD



Pallet 2 Packaging Ltd is a newly created joint venture led by the owners of Scott Timber Ltd, an established manufacturer of custom timber pallet and packaging solutions with a 30 year trading history throughout the UK; and the owners of Pallet 24 Ltd, an emerging provider of complementary timber products.

The joint venture was formed following the acquisition of Boxes and Packaging (Glasgow) Ltd's timber products business and Pallet 24 Ltd.

Jonathan Lawlor, Managing Director of Pallet 2 Packaging, comments: "This deal creates a fantastic opportunity for us to further develop our relationship with the Scottish pallet and timber packaging market, and it is great news for customers, suppliers and staff.

"We will be meeting with as many customers as possible to make sure we fully understand their diverse pallet and packaging requirements and how best to service them, now and in the future."



He continued: "We recognize the supplying the Scott goodwill that has been created through excellent relationships with existing customers, suppliers and employees; and as such, we are keen to ensure that we protect that value and will be working hard to maintain and develop these connections."

The business, which will trade from its Uddingston site, will be led and managed by a team of established industry professionals with the experience and skills required to focus the business on

supplying the Scottish timber pallet and packaging market.

Customers can expect an enhanced range of quality products and services delivered from the Uddingston site. These will include new and reconditioned pallets and specialist timber packaging and crate manufacture, together with expert packaging technical support services.



NextPallet Hybrid Corrugated - Wood Pallet Launched

Cont'd from Page 23.

Ginnis states he is confident his company can deliver a sturdy, more sustainable solution, but the key was getting the cost down. "Everybody wants to be green, but few will pay for the privilege. We believe shippers will embrace sustainability with the NextPallet because we're not asking them to compromise on either price or performance."

NextPallet is a privately held company with patents on the NextPallet. It is seeking distributors worldwide to assemble and sell the NextPallet locally. "We do not intend to manufacture NextPallet ourselves, Ginnis adds. "That

is not our expertise. We want to partner with existing local wood pallet companies around the country and around the world." Its business model is predicated on generating revenue from royalties from the patented technology.

The company is working with a machine builder towards automating the assembly process, although Ginnis states that semimanual assembly can be very economical. "There is a certain amount of automation we would like to see, but it can be a staged process. NextPallet will be reparable. The corrugated portion can be replaced.

News Headlines

UFPI Closes on Acquisition of North American Container Corporation, Moves Up Fortune 1000 Ranking

Universal Forest Products, Inc. has announced that one of its subsidiaries has closed on the purchase of the operating assets of North American Container Corp. (NACC), a Marietta, Ga.-based manufacturer of structural packaging products. To read more, click here.

EPAL CP pallets: Trials at leading global polymer manufacturer, Covestro

Covestro is set to be the first large chemicals producer to trial EPAL's newly licensed CP Pallet range. To read more, click here.





SAQ Harmonizes Import Pallet Requirements to Boost Productivity and Reduce Environmental Impact

Like many import beverage warehouses, prior to engaging with CHEP, SAQ regularly received import pallets of varying size and quality, loaded with bottles. Dealing with suppliers from many countries, pallet compatibility is often an issue for spirits importers. Read more.



In case you missed them... (Click on back issues to read or download)



MAY 2018



APRIL 2018



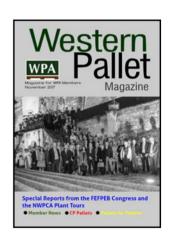
MARCH 2018



FEBRURY 2018



JANUARY 2018



DECEMBER 2017

