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Magazine for WPA Members
November 2018

Magazine



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- Chaille Brindley, Industrial Reporting - *Trumpanomics: A Perspective on Pallets & Lumber*
- Automation Panel - *Investments, ROI, and Conclusion*
with Jorge Eroza, San Fernando Valley Pallet; Scott Geffros, CWPCA; Ray Gutierrez, Commercial Lumber and Pallet; Frank Shean, Valley Pallet; Rodney Wadel, R&R Pallet of Garden City, Inc.
- Lumber Panel: *Prices, Tariffs, and Forecast for 2019*
with Brad Bower, Eagle Forest Products; Kelly DeLacy, Hampton Lumber; Tod Kintz, Pelican Bay Forest Products; Rod Lucas, Turner Lumber; Mark Mitchell, Stimson Lumber



For more information visit www.westernpallet.org



Western Pallet



WPA MAGAZINE

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North American Softwood Prices

Softwood prices listed as of
November 20, courtesy of NRCAN.

9

WPA New Members

The WPA is proud to introduce its
latest new members.

9

WPA News

WPA and Wood-Mizer hosted a BBQ
in southern California. It was held
November 17th in Riverside, CA,
primarily for the Latino community.

12

Industry News

This month we touch on a variety of
pallet, lumber market and supply
chain announcements and
appointments.

12

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Cover Story:

Supply Chain Tech Change: Making Things Easier for Customers

23



Other Features

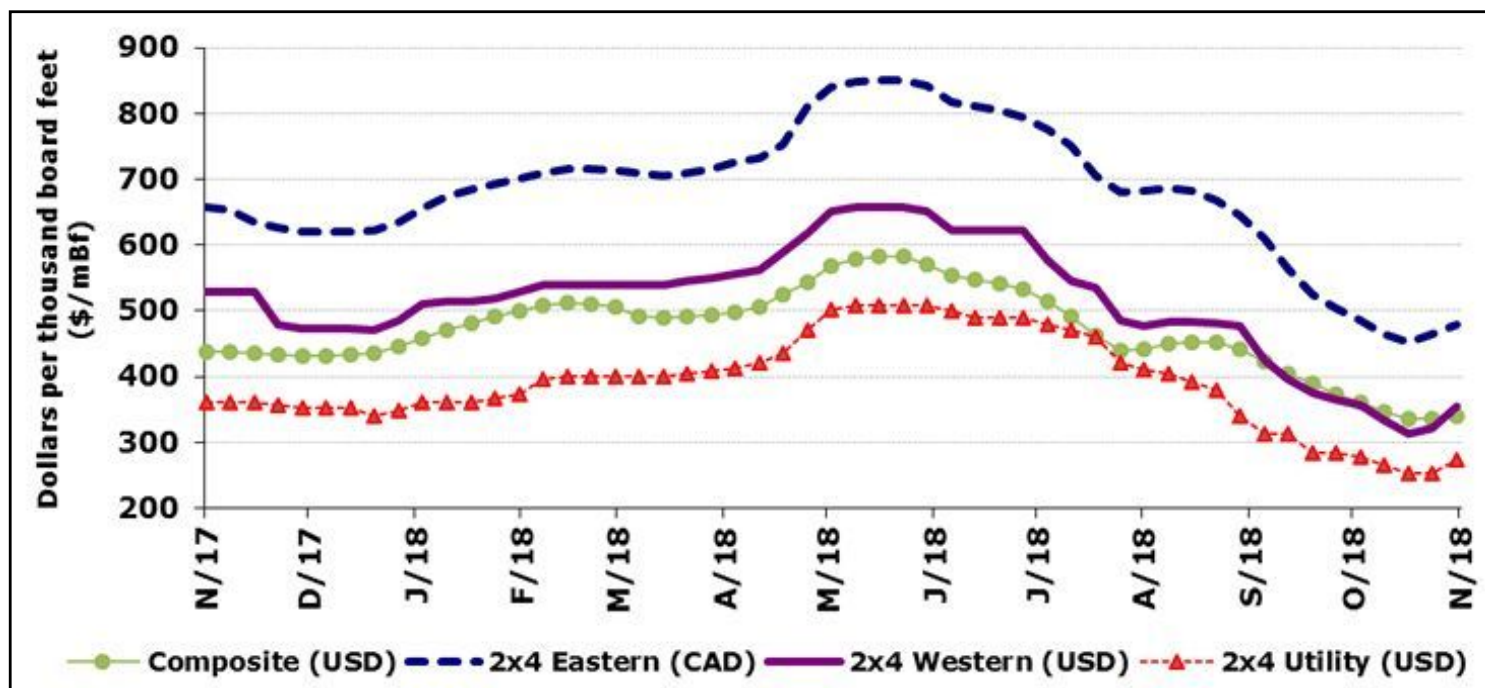
- 26** Industrial Pack Award Categories and Competition Announced
- 27** Unitizing the Shipment of Tires
- 29** American Airlines Cargo Delivers Seasonal Specialties on Wood Pallets
- 30** Global Timber and Wood Products Market Update
- 31** Upcoming Events

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North American Softwood Prices

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



Madison's Weekly Softwood Lumber Movers and Shakers. Click on graph for expanded view.

	This Week	Last Week	Change	% Trend	Month Ago	Change	% Trend	Year Ago	Change	% Trend
Prices are in U.S. dollars per 1,000 Bm (net 100 mBf)										
WSPF KD R/L 2x4	\$358	\$354	+4	+1.1% ▲	\$334	+24	+7.2% ▲	\$528	-170	-32% ▼
WSPF KD R/L 2x6	\$312	\$308	+4	+1.3% ▲	\$284	+28	+9.9% ▲	\$556	-244	-44% ▼
SYP KD R/L East Side 2x4	\$426	\$426	0	0.0% -	\$470	-44	-9.4% ▼	\$450	-24	-5% ▼
SYP KD R/L East Side 2x6	\$325	\$325	0	0.0% -	\$302	+23	+7.6% ▲	\$420	-95	-23% ▼
ESPF KD R/L 2x4	\$410	\$405	+5	+1.2% ▲	\$405	+5	+1.2% ▲	\$565	-155	-27% ▼
WSPF KD PET 2x4 Stud	\$295	\$290	+5	+1.7% ▲	\$280	+15	+5.4% ▲	\$356	-61	-17% ▼
WSPF KD PET 2x6 Stud	\$270	\$264	+6	+2.3% ▲	\$254	+16	+6.3% ▲	\$380	-110	-29% ▼
Douglas Fir Green R/L 2x4	\$300	\$300	0	0.0% -	\$285	+15	+5.3% ▲	\$455	-155	-34% ▼
Douglas Fir Green R/L 2x10	\$325	\$325	0	0.0% -	\$325	0	0.0% -	\$480	-155	-32% ▼
ESPF KD 2x4 8ft Stud	\$360	\$355	+5	+1.4% ▲	\$355	+5	+1.4% ▲	\$440	-80	-18% ▼
OSB Ontario 7/16" (CDNS/mef)	\$290	\$290	0	0.0% -	\$290	0	0.0% -	\$415	-125	-30% ▼
CSPLYwood Toronto 3/8" (CDNS/mef)	\$484	\$477	+7	+1.5% ▲	\$432	+52	+12.0% ▲	\$444	+40	+9% ▲

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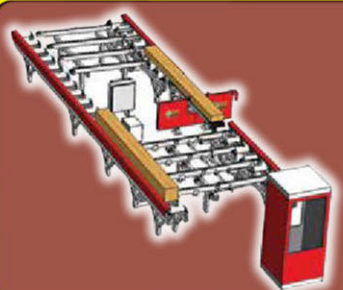


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WPA News

WPA & Wood-Mizer Host BBQ in Southern California

WPA Treasurer, Beatrice Vasquez, Oxnard Pallet Co, and WPA member Lina Montes, G.O. Pallets, Inc., organized a BBQ November 17th in Riverside, CA, primarily for the Latino community. Many thanks to Black Eagle Pallet Logistics for providing the location and to Wood-Mizer, LLC for picking up the tab.

Although not as well attended as expected, many friends were made and WPA expects to see more Latinos join and attend the WPA Annual Meeting January 18-22, 2019, in Rancho Mirage, CA. Verbatim translation headsets will be available.

At the get-together, Edgar Montes, G.O. Pallets, Inc., discussed fire prevention. Kathleen Dietrich, Commercial Lumber & Pallet Co, and Tod Kintz, Pelican Bay Forest Products, briefly discussed lumber pricing and availability. A panel will explore the issue in more detail with a session on Prices, Tariffs, and Forecast for 2019

at the Annual Meeting.

The January Annual Meeting will also feature another panel on Automation—Investments, ROI, and Conclusions. Other speakers include Brent McClendon on NWPCA and the Global Strategic Positioning of the Wood Packaging Industry; Mike Hachtman of Relogistics on Politics and Pallets in a Crazy Time; and Chaille Brindley of Industrial Reporting on Trumpanomics: A Perspective on Pallets & Lumber in a Global Economy.

The get-together was an effort to promote the mission of the Western Pallet Association which is to bring together the people of the western pallet industry to share knowledge that shapes individual decisions, creates innovative ideas, discusses industry issues, and promotes the wooden pallet industry - a sustainable resource.

To register for the annual meeting go to www.westernpallet.org.

Industry News

Wood Fiber Cost Increases Highest in BC and PNW

Wood fiber costs for the pulp industry have trended upward in most regions of North America throughout 2017 and 2018, with the biggest increases occurred in British Columbia and US Northwest, according to the North American Wood Fiber Review. Pulp mills in five of the nine major pulp-producing regions of North America have seen their wood fiber costs go up over the past year, reports the NAWFR. In the 3Q/18, average market prices for wood chips and pulp logs were highest in Interior BC and US Northwest, while pulp mills in the US South, Quebec, and the Maritime provinces had the lowest wood costs.

Wood fiber costs for pulp mills in North America remained generally unchanged from the 2Q/18

to the 3Q/18 but were higher than in the 3Q/17. The biggest increases year-over-year came in British Columbia and the western US where prices for wood chips (the major fiber source for the two regions' pulp industry) increased by 25% and 23%, respectively.

Housing Prices Increase-- Highest in Nevada and Idaho

CoreLogic® has released its CoreLogic Home Price Index (HPI™) and HPI Forecast™ for September 2018, which shows home prices rose both year over year and month over month. Home prices increased nationally by 5.6 percent year over year from September 2017. On a month-over-month basis, prices increased by 0.4 percent in September 2018.

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Looking ahead, the CoreLogic HPI Forecast indicates home prices will increase by 4.7 percent on a year-over-year basis from September 2018 to September 2019. On a month-over-month basis, home prices decreased by 0.6 percent from September to October 2018. Values are derived from state-level forecasts by weighting indices according to the number of owner-occupied households for each state. Nevada and Idaho were the only two states to experience double digit annual increases in September.

In October, prices for softwood lumber in U.S. drops 10.3%

In October, prices for softwood lumber in the U.S. dropped 10.3% - the largest decline since May 2011, according to the Producer Price Index (PPI) release by the Bureau of Labor Statistics, as reported by Lesprom.com. The producer price index for softwood lumber has fallen 21.2% since setting the cycle and all-time high in June. Even after the decrease, however, the index currently sits just 4.7% lower than the prior-cycle high set in 2004, reported the National Association of Home Builders (NAHB).

Cross Laminated Timber Mat Product Wins Innovation Award

Sterling (SterlingSolutions.com), developer of the TerraLam® site access mat, was recently presented with a Chicago Innovation Award.

TerraLam mats are used primarily in the electric transmission and distribution, oil and gas pipeline, and civil construction fields. Site access mats are used to protect sensitive or undisturbed soil in rights-of-way from tires and tracks of heavy construction equipment.

CLT panels were developed in the 1990s and used in structural construction. Sterling's challenge was evolving existing CLT standards to the site access industry while increasing production capacity to fulfill demand.

TerraLam was born out of extensive R&D and testing. To keep the mats light yet strong, Sterling selected southern yellow pine with an optimized adhesive system for their next generation CLT mat. SYP grows to maturity in as little as 20 years, a dramatic difference to the 80 years required for hardwoods such as Oak and Maple, which are traditionally used for bolted mats.

Sterling also developed an automated manufacturing system to dramatically scale up the production process to meet the demand of the site access marketplace. Previously, dozens of CLT structural panels could be produced every day; however, Sterling's automated manufacturing facility can create more than 1,000 CLT mats every day.

Sterling also deviated from the traditional structural CLT practices by developing Cross-Grain Technology™, which means changing the direction of the board layering to increase the wear characteristics required for heavy construction equipment. By changing the direction of the grain to match the direction of traffic, Sterling was able to maintain high strength performance while significantly improving durability and expected product life.

IWPA Sets the Record Straight on the Trade Battle and Tariff Dodges

Alexandria, Virginia – A recent Wall Street Journal article, The U.S.-China Trade Battle Spawns a New Era of Tariff Dodges, paints a very one-sided view of the complexities of the current trade environment and code

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classification. To bring clarity to this issue and to recognize the efforts and due diligence on behalf of the imported wood products industry, IWPA Executive Director Cindy Squires has issued the following response:

"The surge in code classification rulings reported is not an indication of questionable export classifications, but a sign that importers in this high tariff environment are checking if products are properly classified and asking for government rulings when it is unclear. Obtaining a classification ruling is one of the specific actions that U.S. Customs and Border Protection has stated demonstrates that an importer is fulfilling its legal obligations to comply with the law. As an industry, we do not support or condone any illegal effort to misclassify or misreport country of origin.

"Tariff classification is complicated. What is considered circumvention under the law is often counter intuitive. We counsel our members to learn the rules and work closely with their customs broker and counsel as they qualify suppliers. We have hosted multiple briefings by U.S. Customs and Border Protection for our members to provide additional clarity.

"The allegation that softwood-faced plywood importers are circumventing the Chinese hardwood plywood AD/CVD orders is simply wrong because the Department of Commerce already found that softwood-faced plywood is expressly excluded from the AD/CVD cases.

"While tariff dodgers do exist, they represent a small population of those engaged in global trade. In reality, the majority of those engaged in trade are good actors despite the complex and

and rapidly changing environment. Tariffs are taxes. They are paid by American families, farmers, businesses, workers and communities. They are not paid by the exporting country. They are paid here at home.”

Tall Mass Timber Code Proposals Pass by Large Margins

On Wednesday, Oct. 24, all 14 proposals from the Ad Hoc Committee on Tall Wood Buildings were approved by large margins at the International Code Council (ICC) public comment hearings in Richmond, Va.

Approval of these proposals will allow three new mass timber building types to be constructed in the United States:

Type IV-A – Wood buildings up to 20 stories tall

Type IV-B – Wood buildings up to 12 stories tall

Type IV-C – Wood buildings up to 9 stories tall

Mass timber includes any product currently permitted for use in Type IV construction, such as cross laminated timber, structural composite lumber, glued-laminated timber, and large section sawn lumber. SLB-funded research estimates that 5.1 billion board feet (bbf) of potential annual demand, with the majority coming from 12 stories and below.

In reflecting on the impact of these changes, the SLB’s Cees de Jager noted that “while formal adoption of these code changes won’t take place until well into the next decade, jurisdictions have the opportunity to incorporate the tall wood building provisions into their current code.

The state of Oregon recently approved an addendum to its building code that allows timber structures to be built over six stories without having to acquire special permission. It will provide the necessary confidence for developers and designers to begin designing projects in wood from the start, rather than attempting to convert a steel or concrete design much later in the process. Through its programs and initiatives, the SLB will continue to be at the forefront of capturing the market share opportunities created by the code changes.”

These proposals will now head to the online government consensus vote for final approval, which is scheduled to begin in November. The outcome of the tall mass timber code change proposals is expected in December.

New EPAL CEO

Christian Kühnhold brings extensive experience

Christian Kühnhold, the new EPAL CEO, most recently spent 13 years as CEO of PAKi Logistics GmbH and member of the board of Faber Halbertsma Groep B.V. There, he was involved in starting IPP six years ago and has since then helped to develop it. Now he is focusing on new challenges.

“Christian Kühnhold has in-depth knowledge of the pallet market and managing open pools at an international level”, emphasizes Robert Holliger, President of the European Pallet Association e.V. (EPAL).

On the international Association’s Board, they are convinced that he will give EPAL an

invaluable boost to successfully continue to develop. The aim is to further strengthen the Euro pallet under the EPAL brand, to push ahead with expansion into new markets and to establish more products.

A very important project at the moment is iPAL, in collaboration with the Fraunhofer-Institut für Materialfluss und Logistik IML, the Euro pallet will be equipped with intelligence, on which new business models will be based.



Christian Kühnhold is the new EPAL CEO

Registration now open for 2019 CWPCA AGM in Victoria, BC



Registration is now open for the CWPCA 2019 AGM taking place June 7-9, 2019, in beautiful Victoria, BC. The Inn at Laurel Point is the host destination located on the waterfront of the inner harbor, where all guests will be welcomed to ocean view guestrooms with private balconies.

The hotel will honor the CWPCA block rate for three days prior and post for anyone wanting to make an extended stay, based on availability. So don't delay, make your plans today to join us in Victoria! For more information and registration, please visit <http://www.canadianpallets.com/events/agm-2019.aspx>

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Circularity 19 Conference Call for Speakers

The call for speakers is now open for the Circularity 19 conference, taking place June 18-20 in Minneapolis, MN. Submit a nomination [here](#).

The world is facing stark limits in being able to provide enough food, water and goods for 8.5 billion people by 2030, and companies are under pressure to reduce waste — including plastics and excess packaging — and to create innovative products and services.

To address these challenges, the circular economy has emerged as a business strategy focused on designing and manufacturing products and materials that have continuous and infinite life-cycles, or which can be returned safely to the soil.

The circular economy isn't just another sustainability framework — it is a radically different way of doing business. It requires that a company engage its entire value chain, even its competitors. It's transformational, disruptive, regenerative and will create opportunities at every part of the economic spectrum, including those in traditionally marginalized communities.

Moving to a circular economy is also a massive business opportunity — \$4.5 trillion, according to Accenture. The business opportunities exist globally, across multiple markets and sectors, and leading companies are already embracing it.

However, it is still early days. There is still a lack of awareness and many myths and misunderstandings about what a circular economy means and how more companies and cities can get involved.

Circularity 19 will bring together more than 500 thought leaders and practitioners to define and

accelerate the circular economy. Through inspirational plenaries, interactive breakouts, hands-on design charrettes, networking opportunities and a solutions-focused expo, Circularity 19 will inspire, inform and empower participants to make the shift to a circular economy.

The conference is looking for more than 80 speakers for the Circularity 19 program, which will be framed by six program tracks:

- Business Strategy & Innovation
- Circular Cities
- Design & Materials
- Logistics & Infrastructure
- Next-Gen Packaging
- Standards & Metrics

The submission deadline is December 21, but everyone is encouraged to submit your nomination soon — speaking slots for this conference will fill up quickly.

CHEP Appoints Jake Gilene as Senior Vice President, Sales and Customer Service

CHEP has appointed Jake Gilene to the role of senior vice president, sales and customer service, CHEP USA. This position was previously held by Dan Martin, recently named president, IFCO North America.

"CHEP prides itself on developing and promoting world-class talent," said Laura Nador, president, CHEP North America. "The way the world moves, makes and sells goods is being transformed, and Jake will ensure we continue **to be on the front line of solving our customers' challenges, every day.**"



"I am committed to working collaboratively with customers and building strong value pipelines to establish savings in the supply chain," stated Gilene. "I look forward to continuing to work with partners who have helped shape our business into what it is today."

TrackX to Deploy Keg Tracking Solution for Anheuser-Busch InBev

TrackX Holdings Inc., a Software-as-a-Service (SaaS)-based enterprise asset management solution provider, last month announced the plans for deployment of its Global Asset Management for Enterprises (GAME) solution for Anheuser-Busch. The initial implementation will be for the tracking of ¼ barrel beer kegs at their Houston, TX facility.

to be on the front line of solving our customers' challenges, every day."

Gilene will lead a team devoted to positively impacting the industry and customers. He will be responsible for commercial strategy, delivering new products, services and solutions to help customers find more value in their supply chains.

The new position is the most recent promotion in Gilene's long, tenured history with CHEP. Over the last 12 years, he has served in numerous customer-facing roles, including vice president of retail supply chain solutions and vice president of global business development. Gilene has led teams focused on introducing CHEP's comprehensive capabilities that deliver sustainable value and improved asset productivity. He and his teams have helped customers drive cost out of supply chains, improve efficiencies and create a better shopping experience at the point of sale.

Leveraging readers and antennas at strategic points throughout the brewery operation, TrackX will capture invaluable real-time data and business intelligence related to their keg fleet to drive efficiencies throughout the supply chain. This solution once implemented will facilitate increased visibility and utilization of kegs, streamline production planning, ensure effective keg and valve maintenance, increase quality assurance, prevent loss, and improve turn rates. It is anticipated that the solution will expand beyond the brewery to Anheuser-Busch distribution partners and large retailers.

"We are pleased that Anheuser-Busch has chosen to partner with TrackX, Impinj, and Velociti for the deployment of an enterprise asset management solution system capable of changing the way in which beer kegs have been traditionally managed," said Tim Harvie, CEO of TrackX. "Because of the need to assure maximum keg utilization, we at TrackX are focused on

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utilizing best of breed technologies to more effectively manage the assets and processes that impact the overall supply chain. GAME will analyze real-time data, identify areas of improvement, and provide analytics and business intelligence resulting in increased productivity across the enterprise.”

Brambles first-quarter 2019 trading update: Constant-currency sales revenue growth of 6%

Brambles Limited has reported sales revenue from continuing operations of over \$1.4 billion for the first three months of the financial year ending 30 June 2019 (FY19), representing an increase of 3% on the prior corresponding period at actual FX rates and 6% at constant FX. The difference between actual and constant FX growth reflects the strengthening of the US dollar relative to all other operating currencies.

Group sales revenue growth of 6% is in line with Brambles’ stated objective of delivering annual mid-single digit revenue growth and reflects revenue momentum across all segments:

- **CHEP Americas** sales revenue growth of 5% was driven by volume growth and price realisation in the US, Canadian and Latin American pallet businesses;

- **CHEP MEA** sales revenue growth of 8% reflects strong volume growth in most markets and increased pricing in response to inflationary cost increases over the last 12 months;

- **CHEP Asia-Pacific** sales revenue increased 1% as higher demand for pallets in Australia & New

Zealand more than offset a 2 percentage point impact in the quarter due to the cycling of the final month of a large Australian RPC contract; and

- **IFCO** sales revenue growth of 5% was driven by strong volume growth across Europe, South America and Asia with volume declines in North America partially offset by price increases in the region.

Brambles’ CEO Graham Chipchase said: “Constant currency revenue growth was 6% in the first quarter, reflecting ongoing customer demand for our share and reuse logistics solutions. The business is, however, challenged by ongoing cost inflation across our major markets, including the US and Europe. Despite escalating costs, effective pricing which includes surcharges offset approximately two-thirds of the inflationary cost increases experienced during the quarter. In addition to pricing actions, we continue to look to our own operations for further opportunities to reduce costs.

“Given the exceptional cost pressures facing our business and the combination of higher compensations and lower costs in 1H18, Underlying Profit in 1H19 is expected to be broadly in line with the prior corresponding period, on a constant-currency basis. We expect constant-currency Underlying Profit growth to improve in 2H19 reflecting increased pricing growth, a higher cost base in the prior comparative period and the delivery of cost efficiencies across the Group. Our global automation and procurement programs remain on track and are expected to deliver margin benefits over the medium term despite the current cost environment.”

Get Connected!

All WPA Members Reserve your Exhibit Table now! 2019 WPA Annual Meeting January 18-22, 2019 Rancho Las Palmas Resort, Rancho Mirage, CA

Exhibit Cost

- \$300 - Until November 1st
- \$400 - After November 1st
- Exhibitors must be members of WPA with dues current. Sign up and pay for an exhibit space, and pay the annual meeting registration fee - online meeting registration opens October 1st.

Exhibit space includes a skirted, 6' table arranged around the periphery of the meeting room. Additional amenities available through the Rancho Las Palmas Resort & Spa and are the responsibility of the Exhibitor.

Exhibit space is limited. Sign up for exhibit tables opens at 8:00 AM PDT on September 5, 2018.

Exhibit Schedule

- Saturday, January 19th - 5:00 - 6:30 PM - Exhibit Showcase during WPA welcome reception
- Sunday, January 20th - 7:00 - 8:00 AM - Exhibit Showcase during WPA breakfast
- Sunday, January 20th - 12 Noon - 1:00 PM - Exhibit Showcase during WPA lunch
- Monday January 21st- 8:00 AM - 9:00 AM - Exhibit Showcase during WPA breakfast

Set-up starts at 12:00 Noon, Saturday, January 19th, and should be ready by 5:00 PM, just in time for the welcome reception. Breakdown can start after 11:00 AM, Monday, January 21st, and completed by 2:00 PM.

Exhibitor signup only - does not include separate meeting registration open October 1, 2018.

NAME _____ TABLE # REQUESTED _____ 1st Choice _____
COMPANY _____ 2nd Choice _____
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Supply Chain Tech Change: Making Things Easier for Customers



From left to right: Justin Bailie, Founder, Rose Rocket, Dave Brajkovich, Chief Technology Officer, Polaris Transport, Michelle Arseneau, CCLP, Managing Partner, GX Transportation, and Nick Davies, Technical Channel Manager, ATT&T Fleet Complete

It's common knowledge that technology is disrupting the supply chain industry. Many logistics professionals are experiencing those disruptions in their day-to-day operations – and certainly foresee big impacts in the immediate future, let alone in a few years' time. But with all the talk about emerging technologies, it can be difficult to understand what's just hype and speculation and what you need to act upon.

Supply chain tech change was the topic for a panel at the recent Canada Logistics Conference in Vancouver, BC. There are various technologies being looked at and adopted. Themes such as making things easier for customers, increasingly heightened customer expectations about technology, and ROI often came up in comments from the group.

Autonomous Vehicles

"The most talked about thing today is autonomous vehicles," commented Michelle Arseneau of GX Transportation. "It is exciting. It is scary." She does not see it coming into play in practical terms for the next several years because of legalities and other impediments, however.

In the short term, she notes, we will see autonomous technologies providing improved safety features for road equipment, such as collision and lane change alerts. "Because we are so distracted as a society, I think it is really important that we have that, going forward."

Dave Brajkovich, CTO for Polaris Transport, believes that one thing that will revolutionize transportation will be the communication between vehicles and the infrastructure, right to pedestrian. This network includes vehicle to vehicle communication, vehicle to pedestrian, and vehicle to infrastructure, which will create efficiencies, accuracy and quality for deliveries, especially for inner city. "There are a lot of the intelligent transportation systems that are going to revolutionize the industry," he said.

He doesn't see the physical aspect of trucking changing much. "We still need a vehicle to move things," he noted.

Blockchain and Visibility

One of the barriers to the adoption of visibility technologies has been privacy concerns, according to Nick Davies of Fleet Complete. "Carriers are concerned about the privacy of data," he said. "Having other people knowing in real time where their vehicles are and what kind of data might be associated with that. I think it is a massive concern."

"We are seeing a technology hangover from the ELD (electronic logging device) mandate," he continued. "Companies had to shift how they operated when it went into effect in the U.S. They are just starting to get their feet back under them in terms of understanding what that technology can do in terms of introducing real time transportation. So, that visibility exists in most software today, it is just a matter of getting companies to feel comfortable that their data is encrypted and secured and only certain people are accessing that data."

Brajkovich sees Blockchain technology as having transformational value in terms of streamlining

"If there is a way we can eliminate disputes (through the use of blockchain) and get paid faster, and if the ROI is there, then you'd look at it the same way you look at any piece of technology,"

back office operations. Blockchain is a difficult to explain digital technology made famous by Bitcoin. It enables highly secure and rapid transactions. It is being used by Walmart, for example, to greatly increase the speed and accuracy of product recalls.

Blockchain is described as a technology that will be eventually as important as the Internet.

In logistics, he said, it can seem like you are moving more documentation than freight with emails laden with attachments. He describes administrative activities as arduous, labor intensive, and requiring multiple systems. He sees the use of Blockchain as a way to increase the quality, accuracy and speed of transactions.

"It is the low margin industry," observed Davies. "As that freight is delivered, the money is transferred from one party to the other...all of that, it makes it easier for everyone involved."

"If there is a way we can eliminate disputes (through the use of blockchain) and get paid faster, and if the ROI is there, then you'd look at it the same way you look at any piece of technology," stated Arseneau.

Artificial Intelligence and Machine Learning

Prognostic data and operator safety are the two major areas of artificial intelligence that Davies has seen in the logistics space. He is finding that truck manufactures are increasingly building IoT sensors into every aspect of the truck. "We are not only going to track that truck, but we are going to also monitor the brake pads, transmission and axle. And all of those have a sensor on them."

Through artificial intelligence (AI), the mechanic can be alerted as to the need for servicing or part replacement. "There are a lot of prognosticators that are going to make it better for carriers," he said.

"Getting in front of a breakdown is incredible," agreed Arseneau. "Especially if you know 15 or 30 days before the breakdown occurs, and the system knows that whatever part will be required to fix that will be in stock so that it is readily available and we can get ahead of it and eliminate roadside breakdowns, which overall is going to speed up commerce, make it safer for drivers and overall a good thing."

As for what changes the next 10 years will bring, Brajkovich noted there will still be big trucks on the road. The big change he sees is in the order to payment cycle. His goal is to be able to have his CEO manage by poolside in 5 years, through the development of a "lights out" order process.

"It is not replacing people, it is changing their skill sets," he said. "Not only do we want to deliver stuff, but we want to make people better. We have automated our back end. We saw that people could move away from doing mundane processing and get into smart processing."

The panel did not anticipate, however, that customers would be willing to pay for technology improvements in logistics. Arseneau stated that a logistics provider has to have a business case for technology upgrades that does not anticipate price increases. Shippers are not going to pay more," she said.

One audience member pointed out that some major companies already have a requirement for complete supply chain visibility as a precondition of doing business. And as business decision makers increasingly experience the benefits and ease of use of consumer apps such as Uber and AirBnB, they predictably will have similar expectations from business trading partners.

Looking Ahead at Technology

2019 Industrial Pack Awards—an evening honoring professional excellence in the industrial pack industry



After reporting that it has exceeded all expectations in 2018, INDUSTRIAL PACK 2019 says it promises to deliver even more opportunities to network & learn from top industry leaders. Industrial Pack 2019 takes place at Cobb Galleria Centre, Atlanta GA—March 27-28, 2019.

Industrial Pack Awards is set for opening day, Wednesday, March 27 at 5:30 p.m. This event is certain to be a memorable evening honoring excellence across the industrial, transit and protective packaging sector. What better way

to celebrate this dynamic industry than to spend an evening honoring fellow colleagues and their organizations for their important contributions.

Call-for-entries has officially begun for the following categories:

- Excellence in Industrial Packaging
- Excellence in Transit Packaging
- Excellence in Protective Packaging
- Environmental Initiative of the Year

The show is also introducing two new categories for 2019:

- Best New Product of 2019
- Excellence in Reusable Packaging

All exhibitors, manufacturers, and brands that use industrial packaging are encouraged to apply. Industrial Pack will be promoting the awards from now until the day of the event, providing a unique opportunity for participating companies to gain exposure to the wider industry.

APPLICATION DEADLINE: Entries must be received by 5:00 p.m. EST February 11, 2019. Applications for the awards are available here.

AWARDS APPLICATION: Winners from 2018

included ILC Dover, Cargo Tuff, SSI Schaefer, CHEP and their award-winning products and solutions are now key components of their company portfolios. Attendees of Industrial Pack 2019 will be among the first to see new technological breakthroughs that are sure to be industry standard bearers for years to come.

Industry experts that serve on the Industrial Pack Advisory Board will select the winners, which will be announced at the awards event and through our extended global network of associations, media partnerships and public relations.

Any questions about the awards event can be directed to Industrial Pack's Marketing Manager, Annabelle Arch at annabelle.arch@easyfairs.com.

Collaborative Effort Looks to Convert the Loose Loading of Tires to Unitized Shipping

Baar, Switzerland—CEVA Logistics and Goodpack, which operates the world's largest fleet of Intermediate Bulk Containers, have agreed to extend the long-term nature of their working relationship by entering into a strategic alliance. A key driver for the alliance is both companies' desire to provide advanced digitization and innovative solutions for the tire industry. As part of this new alliance, the two companies have developed TYRECUBE(TM), an intelligent returnable container for tires with data acquisition and track & trace capabilities.

Through the introduction of TYRECUBE, CEVA Logistics and Goodpack aim to collaborate on developing strategies and services for efficient and safe transportation and storage of tires across Asia, North America, Europe and Australia.

TYRECUBE is a patented collapsible and stackable container, providing an innovative method of moving tires worldwide. By simplifying complicated movements characterized by short order-to-delivery cycles, the teams hope to deliver measurable value to the global tire industry. Traditionally, the loose loading of tyres



Goodpack's Eric Grégoire (l) and CEVA Logistics' Xavier Urbain believe that TYRECUBE, an intelligent reusable container, can be the world's best global solution for the storage and movement of tires.

loading of tires has been a very labor-intensive and manual process, with minimal automation and little visibility. TYRECUBE as transport and storage module helps avoid loose loading and provides a better protection of the tires. TYRECUBE works for approximately 90% of all tire types.

"We believe that by working in close collaboration with Goodpack, we can develop TYRECUBE into the world's best global solution for the storage and movement of tires," states Xavier Urbain, CEVA Logistics' CEO. "The exciting part of this alliance is the scope it has for delivering across multiple vertical markets, from aviation through to passenger cars, motorbikes, trucks, off-road vehicles and industrial and agricultural equipment. We have the opportunity to revolutionize what is a traditional

process by introducing a single, common container handling unit throughout the supply chain which will significantly improve process efficiency, product protection and visibility. We are convinced that this new innovative solution will bring a lot of value to the customers."

"We are very excited to form this partnership with a market-leader like CEVA Logistics," adds Eric Grégoire, Goodpack's CEO. "By bringing our core competencies together, we are proposing much-needed innovation for the tire industry, enabling us to address some of its biggest issues, such as quality, traceability, workplace hygiene and ergonomics, and all at a lower cost. Together we will modernize this industry and bring it into the digital world by leveraging, sharing and pooling our assets within this alliance."

American Airlines Cargo delivers seasonal specialties on wood pallets



Over a six-week period, the American Airlines Cargo team worked together to transport more than 22,000 pounds of sweet chestnuts each day between Rome's Fiumicino Airport (FCO) and New York (JFK) to ensure customers in the U.S. can enjoy the traditional treats during the festive season.

Used in the preparation of soups, desserts, flours and creams, the chestnuts originate in the Campania region of southwest Italy around Naples. They are harvested in the mountains and placed into jute sacks before being delivered to the American Airlines Cargo facility in Rome. Highly prized by confectioners, there is increasing demand for the sweet treats in America because of very limited local production.

The jute sacks are fixed onto wooden pallets and need to be kept away from direct sunlight while

in transit before being loaded onto American's daily, Boeing 777-200 flights from the Italian capital to JFK.

The seasonal traffic usually only occurs for a couple of weeks in October, but with the growing demand, this year's season has already been extended and continues into November.

"Whether its chestnuts roasting on the streets of New York or families preparing a traditional stuffing to accompany their turkey at Thanksgiving or Christmas, our team in Italy has worked hard with our shipper and forwarder partners to deliver record tonnages of chestnuts this year," says Richard Hartmann, American's Regional Cargo Sales Manager.

Source: American Airlines Cargo

Global Timber and Wood Products Market Update

- a news brief from ForestEdge LLC and Wood Resources International LLC

Canada will continue to be a major supplier of softwood lumber to the US in the next decade, with the export volume from the Eastern provinces being forecasted to increase substantially, according to a study by ForestEdge and WRI

The softwood sawmilling sector in Eastern Canada will play an increasingly important role as a key supplier to the growing US lumber market in the future, according to a new study. The increasing lumber consumption in the US will also likely result in increased investments in production capacity in the US, changes in Canadian lumber trade flows, a rise in overseas supply, and upward pressure on sawlog prices.

Consumption of softwood lumber in the US is forecast to increase over the next decade and reach an all-time high by 2030. Canada is poised to continue being a dominant supplier of softwood lumber to the US, but there will be changes in log availability. The timber harvests on public lands in British Columbia are set to decline over the next decade and uncertainty surrounds log availability in the eastern provinces.

The recently released multi-client study "Future Suppliers of Softwood Lumber to the US Market – Supply and Demand Outlook 2017-2030" provides detailed regional profiles of Canada's future sawlog availability, forecasted sawlog prices, the outlook and competitiveness of Canada's lumber industry, and likely regional Canadian lumber supply for the US market. The two major lumber-producing regions of Canada, the Western region (British Columbia and Alberta), and the Eastern provinces (Ontario, Quebec, and the Maritimes), each face complex factors that will further decrease the Annual

Allowable Cuts (AAC). However, despite declining AAC's, there is still the possibility that softwood roundwood production will increase in the future in Eastern Canada as current harvest levels are far below sustainable levels.

The more than decade-long infestation of the Mountain Pine Beetle in Interior British Columbia is coming to an end. Harvest levels are predicted to fall over the 2016-2030 forecast period, though log supply for the local sawmills could be modestly augmented by slightly increasing harvests in Coastal BC and a likely reduction in log exports to the Pacific Rim.

Another of the study's conclusion is that lumber exports from Eastern Canada to the US are likely to increase substantially between 2017 and 2030. The in-depth analysis showed some interesting results in terms of Canada's role as a future lumber supplier to the US. This was particularly true in the study's high demand scenario.

The main contents of the comprehensive 218-page study include:

- Demand forecasts of softwood lumber in the US from 2017 to 2030.
- Projected domestic and international suppliers that will meet US softwood lumber demand during the forecast period.
- Supply Curve Analysis with alternative scenarios of lumber supply and demand.
- Conclusions and Sensitivities.

The new multi-client study "Future Suppliers of Softwood Lumber to the US Market – Supply and Demand Outlook 2017-2030" is published by ForestEdge LLC and Wood Resources International LLC. For more information about the study or to inquire about the purchasing of the 218-page report, please contact either Robert Hagler (robert@forestedge.com) or Hakan Ekstrom (hakan@woodprices.com).

Connect with Western Pallet Association!



Upcoming Events

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

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

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.

In case you missed them...

(Click on back issues to read or download)

