

Wood Packaging Solutions



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September 2013

ISPM No. 15 Questions and Answers

The IPPC-ISPM No. 15 program in both Canada and the USA continues to present questions that may not be clear to many clients of both country programs. It is very understandable that companies question some unclear sectors of this very important program. Questions from time to time arise that are both confusing and typically not considered clearly in the programs of these countries.

Here is a good one.

1. One company was concerned that a competitor was supplying hardwood pallets with a moisture density of near 28%. These pallets were stamped with the ISPM No. 15 stamp and when tested with a probe showed the moisture in the pallet well above 20%, the benchmark many feel is required.

The ISPM No. 15 policy directive simply asks that the pallet or boards be heat treated to 56° for 30 minutes to the core. It does not require the moisture density be at any level even though most HT softwood pallets are assembled with KD/HT lumber.

KD or kiln dried typically suggests that the moisture density levels be at or less than 20% but hardwood when HT may show levels well above that percentage.



2. Another company questioned the moisture density [MD] in repaired pallets. Some consumers request a hardwood pallet with a MD of less than 20%. Robert Haack of USDA Forest Service proved at an IFQRG meeting that the moisture density in a repaired pallet could be less than 20% if that pallet was stored in a controlled atmosphere or even outside.
If the recovered hardwood pallet was sold with no repair the moisture density of that hardwood pallet should be below 20% due mainly to the fact that these pallet are air dried and lose MD quickly. The new board to repair that pallet, if hardwood and heat treated, may indicate high MD and not meet the consumer requested 20% MD or less.
If repaired with a reclaimed hardwood board, which will force the pallet to be reheat treated, the pallet should test below 20% MD.



NWPCA Rallying the Troops in Opposition to Change in Outdoor Storage of Pallets

The NWPCA will rally the troops on October 3rd in Atlantic City to oppose the new outdoor pallet storage requirements posted by the International Code Council [ICC]. The ICC writes standard policy for all phases of fire safety for many states and provinces.

This new ICC policy code for the **exterior** storage for pallet may cause companies to lose between 40-60% of their stacking patterns. This new standard modification will also govern the pallet height allowed and extend the distance between pallet stacks.

Brent McClendon cannot understand the need for a change when there is little evidence of habitual pallet fires nationwide. The NWPCA's research indicated that some pallet fires are blamed on the industry even though they happen in abandoned yards and industrial parks.

The ICC fire consultant Bob Davidson argued that yard pallet fires put extreme pressure on communities fire services and there is a lack of coding for the exterior storage of pallets.

The NWPCA does not absolutely oppose the overhaul of the fire code to the exterior storage of pallets but the amendment must compare the need to the result. Will this new coding for exterior pallet storage stop companies from having fires? **The answer is no.** This new code will simply cause financial stress forcing companies to follow this new proposed standard and increase the cost of their pallets.

The NWPCA is inviting as many members as possible to attend and provide testimonials to influence the vote of this ICC committee. They hope to delay the adoption at least until the next revision allowing the NWPCA time to provide the ICC with additional intelligence.

This current proposal, if passed, will be published in 2015 and can be adopted by local fire services soon after the adoption.

Karen Wanamaker of the NWPCA believes there may be an additional amendment discussed. That discussion may invite a discussion on the interior storage or rehabilitation/repair of pallets which must be compliant with the applicable portion of the code and the International Building code. She indicates that this is a grey area and the NWPCA is concerned that this discussion may be misread by local fire services who may try and introduce, if passed, the newly adopted outdoor storage of pallets coding to interior storage of pallets.

Mr. Davidson did say that individual pallet companies have the right to work with local fire services to develop an acceptable storage footprint that works for both parties.

Let me say that this decision will also affect Canadian pallet companies. The same insurers underwrite your pallet companies. This decision will be your problem by 2015 if not averted.

In my 32 years experience as a fire fighter, Captain and finally a District Chief, it is my belief that this coding will not stop pallet fires. Pallet do not ignite on their own. Employees smoking is the most common and secondly, the misuse of flammables [propane fill] which are surrounded by pallet stacks.

I fought four lumber yard fires, one was from poor training on propane filling of the lift truck and the other three were caused by employees smoking who hide from view between the pallet stacks and when they were about to be caught they simply put the cigarette on the pallet board and walked away. The cigarette dropped inside of the lift and ignited the dry grass below and off it went.

I fought one fire where a building renovation company bordered a rail line. One hot afternoon a passing train's brake was dragging spewing hot metal from the wheel casing which caused the dry grass beside the track to ignite. The fire worked its way up the slope to the industrial yard, which did include pallet storage. We were there three days putting out the smoldering wreck of burnt pallets and construction material.

I believe that a short blunt discussion with their employees on smoking in the yard and the correct training on flammable liquids will reduce the threat of fire.



Modern Materials Handling Report on Annual Pallet Report – Sept. 2013

Many of you have read the report in Materials Management & Distribution and do understand that the wooden pallet industry in the US from 2013 to 2017 will take giant steps forward in their rebound from the economic recession of 2008.

I attended the online MMD webinar on September 19th and listened to Bob Trebcock and Mark White discuss the survey created by Freedonia.

What did I learn

- 1 Available resources [*economical lumber*] may cause the wooden pallet and wood packaging industry some difficulty. The availability of softwood and hardwood must be a concern. With the Chinese purchasing huge amounts of economy and #3, western softwood availability may be a worry.
- 2 Both Bob and Mark believe the Freedonia survey, which stated a 3.5% increase in demand for pallets through 2017 is understated and could be as large as 5% on the east coast and decrease slightly as you travel west.
- 3 With the recovery of the European Union [Western Europe & Great Britain} an increase in exports will be very evident from the large ports on the east coast. This will increase the demand of pallets/wood packaging from pallet operators and the demand for lumber will be tremendous.
- 4 Repaired cores will continue to be in demand due to the fact that many companies shipping offshore recognize that the pallet will not return so why purchase new. Very few plastic or metal pallets are used in exporting product [too expensive] even though they are exempt of the export requirements of wood.
- 5 Mark White believes that 'RESHORING' will soon affect all sectors of production and heap additional demand on the wooden pallet/packaging industry of the US. In other words, the jobs we lost to offshore cheap labor may return.

Reshoring is the practice of bringing outsourced personnel and services back to the location from which they were originally offshored.

Many organizations initially pursue outsourcing arrangements, often overseas; in order to take advantage of reduced taxes, cheaper labor, a 24-hour-a-day workforce and the ability to hire employees with specialized skill sets in their own country of origin. IT and manufacturing are two areas that have undergone a great deal of outsourcing but are now seeing the reshoring of some of these jobs as part of a larger rightsourcing effort.

The recent movement toward reshoring typically stems from corporate concerns about operational challenges that have caused a decline in productivity and quality. In the United States, additional factors that encourage reshoring initiatives include an increase in wages overseas, improvements in domestic energy production, government incentives and the trend towards locating production closer to consumers.

- 6 This pallet industry survey prepared by Freedonia again proved that cost continues to be the number one concern of all purchasers [56% of all respondents down from 63% from last years' survey], but 40% of the respondents, up from last year, indicated that cost per use/trip was #2. Other leading factors:
- 53% strength
 - 50% durability
 - 43% customer requirements
 - 40% reusability and
 - 32% availability
- 7 Wooden pallets continue to be number one, 91% of the respondents
- 8 Plastic is #2, wood composite is #3, cardboard/corrugated is #4 and metal is #5. All of the alternatives only make up 9% of the total. Interest is growing for alternatives but the cost and limited use continues to hold alternatives back.
- 9 Cleanliness was very high on consumers report cards and many felt that only plastic and metal could attain this requirement.
- 10 Cardboard/Corrugated is a growing alternative and is now used in end-
isle display in grocery stores.
- 11 Exports packaging is typically shipped on wood. The wooden pallet or packaging may never return and in general never re-used by the importing country. [standard]. North America does accumulate EURO pallets for shipping globally.
- 12 The panel agreed that Mexico was shipping truckloads of wooden pallets at an alarming rate into the US. This influx into the US Southwest is putting cost pressure on this US sector industry.
- 13 Mark confirmed that moisture reduction improves pallet strenght and durability. Low moisture in cores typically reduces the threat of

- quarantine pests. Mark confirmed that he has seen wooden pallets that are 20+ years old still in service.
- 14 Typically, consumers are looking for an alternative to wood but none of the alternatives can offer price, cost per trip, durability and reuse as wood can offer.
- 15 **48x40 stringer** continues to be king [over 50% of the respondents]. **48x40 block** was the choice of 27% of the respondents. 81% of the respondents indicated 48x40 was the most commonly utilized in their warehousing and shipping. The block pallet has shown growth against the stringer in this new survey. Costco requires only block pallets.
- 16 Canada is the largest trading partner of the US, followed by Mexico/Caribbean/South America, China/Asia, and Western Europe. Mark believes that as Western Europe rebounds from their recession it may replace Mexico/Caribbean/South America.
- 17 Many companies are purchasing a reduced number of cores and buying new due mainly to the lack of repairable cores. Many companies can not wait for companies to secure quality cores and have decided to buy new. Some respondents answered that the quality of the repaired cores is poor and the price has increased from 2012.
- 18 In the pallet pool sector CHEP is #1, followed by PECO, iGPS and now Ongweoweh. The food, brewery and consumer packaged goods industry are the largest users of pool pallets. Pool pallets account for 17% of the total.

In his final response Mark White was asked to close with some thoughts on the future of the wooden pallet industry in the US and this survey.

Mark stated that we need better standards. He expanded this by saying that standards must be melded to all sectors of packaging. He said that we must harmonize the distribution of the product to reduce the cost of moving the unit load.

That means we must harmonize the pallet, the freight container, whether trailer or overseas container and the air craft to reduce wasted space. The supply chain must become more efficient especially as today we are now moving globally.



NWPCA leading the charge to provide information to the Food Safety Modernization Act

The NWPCA staff has done a commendable job in reducing the threat posed by wooden pallets and packaging in a letter to the Food and Drug Administration

Last month I referred to the Food Safety Modernization Act and how it may affect the wooden pallet and wood packaging industry and how food stuffs may move in the future throughout the USA and Canada.

The FDA has accused wooden pallets and packaging for bacteria infiltration into food stuffs on a unit load. This was never proved but the FDA has initiated this demand and the NWPCA must neutralize their statement and action.

The letter was very well written and included corroboration to prove that wood was better than most materials used in the movement of food products.

Again, well done!



The 10 Commandments of Networking

My Opinion: The fall and winter brings a huge influx of meetings and conventions. To understand these Networking rules may open some previously closed doors.

Getting The Most Out of Business Networking

Networking is a lot of fun! Business networking is when a group of like minded business people gather and help each other. If you check, you will surely find a networking group in your area. The networking group can meet as often as they wish, as is convenient for the participants.

Regrettably, most people start with a networking group by looking for immediate gains.... that is, for favorable results for themselves. If this is what you are trying to achieve, you are networking for the wrong reasons and will be sticking out like a sore thumb.

Many people think that the size of a networking group makes the difference in networking. When groups start falling in size, members will say, "we have to build up our numbers." Now, what numbers are they referring to? Is it the number of participants? I would rather belong to a networking group of two people who can help each other on a regular basis than have a large group of business people not following the Ten Commandments of Networking. It is not the quantity, it is the quality.

"I haven't got any leads yet!" Well excuse me have you given one, ever? Or, have you made a suggestion that might help a fellow member? Did you call anyone with a compliment and say, "Just wanted you to know, Jim, that your comments on the XYZ expansion was right on the money." One must be willing to put in time waiting also. It might take a while before people feel comfortable with offering you a referral.

Networking groups will come and go. To get the most out of your networking experience, you need to build a relationship with people who you want to have contact with. Not all members will be able to help you, nor will you be able to help them. That doesn't mean you should snub them! I still have strong relationships with my networking friends from groups that are long gone.

When networking, spend most of your time and effort on people who can help each other out, for the long term. That is right. This is a long term project. Countless times I have been to business networking events and have seen people actually run from person to person, with the expectations of first giving away their business card and hoping to gather the other person's. How can you possibly build a relationship with a person when your objective is to get out there, and collect cards? Some networking groups make a game out of it to see who can collect the most in a certain time. What a waste of business cards!

You will find that a highly effective networker will "work the net". What I mean is that they will go into a function with a goal in mind. My usual goal when business networking is to have the expectation that I will "meet" and "understand" only three people per event. I know what kind of person that I can help and expect that this person will be able to do the same for me. A win/win situation is what I am talking about. The highly effective networker will take the time to cultivate a rapport.

After the business networking event is when the real work begins. After all, you are only at the networking event to meet and build rapport. Follow up ASAP. Now is the time to send a nice customized card, and call a few days after to arrange a time to meet for a coffee or to have lunch. That is when you can listen to the details of what your new "friend" requires. You might even have the chance to offer your goods and services, only after listening.

If you want to gain the most out of business networking, follow the Ten Commandments of Networking!

- 1) Thou shalt drop the "what is in it for me?" attitude.
- 2) Thou shalt listen.
- 3) Thou shalt build a relationship.
- 4) Thou shalt give the first referral.
- 5) Thou shalt not tell others of the referral you require; thou shalt "show them" with a story.
- 6) Thou shalt be specific of the type of referral.
- 7) Thou shalt reciprocate when appropriate.
- 8) Thou shalt participate in the network executive, functions, and network time.
- 9) Thou shalt thank the person who gave a referral.
- 10) Thou shalt follow up on the referral within 24 hours.



Hardwood Outlook in 2013 • Update

World Economic Activity Improves

George Barrett. Hardwood Lumber Report

The global economic recovery is uneven but gathering momentum, with Asia and North America leading the way. China, the largest consumer of lumber, is continuing its rapid growth, with forecasted GDP increases of 7-8% this year. The U.S. recovery is accelerating and should see annualized second-half growth of 3%. European recovery has been slower, and significant problems linger. Spain, Portugal, Greece, Crete and Slovenia have been in the headlines as central banks attempt to bring them out of recession. However, we expect economic activity to improve in all regions for the balance of the year.

Domestic Trends

The recovering housing market and job gains are driving U.S. hardwood demand. Nationwide housing prices have risen by 10.9% over year-ago levels, and by over 20% in some localities. New home starts are estimated by the National Association of Home Builders to reach 1.017 million units in 2013, the highest since 2008. While single-family starts have plateaued in the first half of 2013, the future of housing construction looks bright. Interest rates will remain historically low and a pent-up demand for homes should push total starts above 1.2 million units in 2014 and 2015.

The domestic demand for lumber is rising accordingly as flooring, cabinet and furniture plants are all seeing rapid sales growth. Coupled with steady export sales to Asia, production has not been able to keep up with demand and prices for most hardwood lumber items have steadily increased over the last 6 months. Sawmills in North America are attempting to increase production, but have been slowed by a lack

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of logs, tight credit, and rising timber costs. It is unlikely that production will catch up with demand before late-summer or fall.

Clearly, the hardwood industry has downsized and transformed itself over the past few years. Sawmills and secondary manufacturing plants have been forced to operate more efficiently in order to survive. Now, after 5 years of decline, sawmills and plants are again increasing capital expenditures to meet demand.

During the extended downturn in grade lumber markets, demand for industrial products played a major role in keeping sawmills afloat. These markets will remain important even as grade lumber demand returns. Railroad tie and timber markets will demand over 1 billion board feet of hardwoods this year. The construction and energy sectors will increase their demand for hardwood crane and timber mats, and pallet demand will grow steadily stronger as U.S. industrial production improves.

Export Trends

Hardwood lumber exports grew 12% in 2011, 10% in 2012, and were trending another 8% higher through April 2013. Thanks to the work of the American Hardwood Export Council, and others, U.S. hardwood log and lumber exports are well-positioned to meet global consumers' growing concerns about the legality and sustainability of the products they use. AHEC is developing new tools for architects, legislators and consumers to see how wood stacks up environmentally to competing building materials...and setting new standards for transparency and disclosure in the process. While initially driven by the need to address tough new EU timber regulations, the mounting evidence of the environmental superiority of U.S. hardwoods will also boost wood exports to Asia and Latin America, and will keep the U.S. a priority supplier of Europe's growing bio-energy needs.

Here to Help

The changing markets for hardwoods are challenging to everyone. Sawmills will struggle to procure affordable logs and lumber buyers will struggle to procure affordable lumber. Even when production catches up with demand, improving global economic conditions will keep demand strong and prevent the kind of supply build-ups that would collapse prices. Our expert staff at Hardwood Publishing Company is here to help you navigate these changes by providing the most accurate and timely market information available. Let us know how we can be of service.

North American Pallet and Wood Packaging, Lumber Report



A Quick Review of the US Pallet Market

Things are looking up. Every pallet and broker to whom I spoke, except a few in the Northwest, offered a very positive outlook for the fall and winter 2013. 2014 should be similier and could be outstanding.

As they say, "the stars must line up". I feel the economy will stay strong but pallet demand will hing for the demand and supply of economical hardwood and softwood.

The economies of all states are positive leading everyone to see the potential of a return to 2008 values.

Texas continues to out manufacture all other states and pays more for their hardwood, receives a higher price for their pallets and pays more on the inbound side for cores then sells their cores for top dollar.

Way out West



California's pallet and wood packaging industry this month is solid. The LA market has now become busy. The flood of both US and Canadian softwood into the LA market has shown many that their pallet market might now be showing signs of a real recovery.

The Bay area is very busy. Competition is stiff in both the new and used market. A few small to medium size repair companies, due to the lack of cores, are branching out to service the custom pallet market.

One company told me that his cores were selling for \$6.50 to premium customers and up to \$8.00 to purchasers who are one time buyers. These new customers have made contact due to not being able to allocate enough pallets from their main supplier.

It was discussed that some pallet recyclers are selling **high quality #2's** as #1's and when questioned simple offer to take them back as they have another buyer who will pay the price. It's magic, turning a #2 into a #1 and pricing that pallet at only \$1.00 less than a #1.

One company told me that if this economic upturn continues he will be looking to add another location or locations and spend some money on machinery.



Pallet core availability in the **Northwest** continues to be tight. Prices for #1's and #2's are holding at nearly the highest in the nation.

Some are telling me that the demand for #2's is outpacing the demand for #1's. This can only be due to price.

The selling price of #1's ranges from \$6.30 to \$7.00 depending on the consumer and #2's from \$5.00 to \$5.50 again depending on the consumer. One time purchasers pay the big price while top users get the lower price.

Everyone in this sector of the nation feels very fortunate that their economy is growing and rebounding back near 2008 levels.

The companies to whom I spoke all were more worried about locating good cores rather than finding new business.



The Northwest new pallet companies are busy but some are holding their breath. Pallet demand has tilted just slightly and many are seeing a slight pause by their consumers. Everyone hopes this is only their consumers taking a breath but some are worried that the bubble may burst and active competition will drive the prices down at a time when lumber prices could be going up.

Custom pallet orders continue to be average to good. Lumber demand is up and with the Chinese back in the game many are worried.

Here is something that may scare you. One company, who typically orders and receives 8 trailer load per week of softwood, has now been told that their 8 loads will soon be reduced to 4 due to the fact this mills needs additional supply to feed

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their Chinese buyers. Wow, when will this stop? Better than that, how do we stop this craziness?



BC lumber sales into the US are steady. The LA area is picking up and this will open some doors for more precut softwood making its way south.

The price of softwood is stable. Some dimension have increased nominally but other dimension have fallen. There are some good deals in shorts.

The lumber industry that feeds the US pallet industry all realize that the Chinese are back and locating good utility or better [#3] may get tougher.

The following prices are for softwood shipped to the **Bay area** from BC. These are average prices.

1x6	\$340.00 CDN add another \$10.00 for shipping to S. Cal.
1x4 & 2x4	\$340. to 350.00 CDN add another \$10.00 for shipping to S. Cal.



Mid West USA & South Lumber & Pallet Report



I spoke to some pallet operators in the mid west and received some very good news. They all said that business was good and some even boasted that the last few weeks have set new sales records for their company. Confusing though it may be 48x40's were not the hot item this month.

Two large pallet operation shut down this summer in the mid west due mainly to ruthless competition. These pallet operation had operated in in these middle states for years.

Some in the north confirmed that 42" reclaimed material was tight when traditionally 40" and 48" material is the material required.

The food industry, who made a demand to follow the Food Safety Madernization Act [FSMA], has calmed down and they are not issuing demands on the PSOCIDS or book lice issue. The only problem pallet operations are having is that many food companies are trying to interpret the FSMA and frequently their interpretation is wrong. This takes time away from the pallet owner to explain the inaccuracy.

Many pallet operators are sealing their pallet loads with steel or plastic seals to quarrantee to their consumers that they are tracking the FSMA to some degree.

Pallet prices are steady. No one is gouging their pallet accounts and there seems to be a nice balance.

The demand for repaired pallets is up again this month. The problem is that many pallet operations in the north near the big city's are paying \$3.00 to \$3.50 on the inbound and \$2.00 to \$2.50 on the inbound away from the big city's. A few are paying \$1.25 for cores but they are junk and are simply dismantled to supply the repair line.

Core supply is tight to very tight in Tennessee and Mississippi with supply in Arkansas and Missouri indicating a tight supply. Illinois and surrounding states are simply on a day-to-day supply. One day they can secure a few thousand and the next day only a few hundred.

It has been said that CHEP USA is selling their one-time use white board pallets for \$7.00 but I could not substantiate this fact.

The average price for a repaired standard pallet in the mid west is \$5.00 to \$5.50 but soon will close on \$6.00. Now this is an average from Illinois to Arkansas.

Some pallet plants are substituting heavy dimension pine boards to replace the hardwood boards that are not available. It has been a struggle but when the pallet operator warns the consumer that he can only supply 70% of his need using hardwood the consumer surrenders.

Most companies will continue with the gas surcharge that was started earlier in the year. It just makes sense to keep the surcharge in place as the price of crude fluctuates globally.

Labor is terrible. The labor force is inconsistent and whines about everything. Everyone is having the same trouble. Some employees come to work for two weeks and then don't show for two weeks. They come back and promise it will never happen again and then they are gone in another month. The labor situation is critical.

Most companies say that the Americanized Hispanic worker has learned bad habits from the US worker and are now adopting their thinking.

Newly documented workers are much better and work very hard. But it may only be a few months before they adopt some of the same actions.

Most customers are not forecasting into the future until the US Government has a budget passed. Many are holding their breath waiting to see what will happen. Some believe if the budget is delayed the economy may falter.

One company called Happy Hobby may be shutting its' door due to the requirements heaped on by Obama Care. One more distraction that could cause trouble for a full recovery.

Pay quickly and you will be supplied with pallets. This continues to be the norm in the north central US. Those using pallet company's as their bank will be doing without unless they pay on time. It is funny, but this is what the pallet companies used to do with the lumber brokers. Lumber brokers have for many years held onto this principle. Pay or suffer.



Hardwood supply is very tough throughout Missouri and Arkansas. Most hardwood mills are 4 – 6 weeks behind on orders. One pallet plant in the area did not finish their pallet order as they ran out of hardwood boards. They couldn't even borrow some boards from a friendly competitor as the competitor was low.

I spoke to one pallet operation that feels that the pallet industry in the south may break the hardwood sawmill industry.

He is paying \$400.00 to \$425.00 if he can find cants. He thinks that the price of cants, due to supply and demand, may reach \$500.00.

He said that some mills are supplying the cross-tie industry and getting \$475.00 to \$500.00 for 6x8's.



Eastern & Southern USA Lumber & Pallet Report

The pallet market in this sector continues to be busy. Some are holding back with the applause on the recovery waiting for the other shoe to drop. No one is ready to say it's over and declare that we can now get down to business.

New pallet prices have finally inched up due mainly to the increase in hardwood prices and the lack of hardwood supply.

Even SYP is showing signs of a price increase after many pallet companies had to opt to SYP as hardwood is almost impossible to find.

It is a constant fight to find hardwood cants and precut. Typically the pallet industry fights over the scraps left by the deep pockets of rail, flooring and building industry. How long can they hold on is anyone's guess.

As I wrote in my Mid West report, one large pallet operation believes that the demand by pallet companies for hardwood may break the hardwood sawmill industry. The pallet industry is the largest consumer of hardwood in the US and now some mills have simply run out of hardwood logs. They have no log inventory and few men willing to take up logging as an occupation.

The pallet repair market on the east coast is steady to crazy. Of course there are less good #1's and #2's around but the good guys seem to have just enough to supply their consumers.

The selling price of #1's ranges from \$5.75 to \$6.50 and #2's from \$3.65 to \$4.00. This depends on the consumer and whether in the Southeast where the price is slightly higher.

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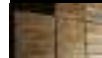
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Western Canada Softwood and Pallet Report



In one word, busy! Many lumber brokers feel they are nearing 2007-08 sales levels.

BC, Alberta and Saskatchewan are all busy building pallets and wood packaging. Pallet prices are stable and there is little gouging taking place. Many believe there is a nice balance between supply and demand.

The mills are producing just enough #3 to supply the North American market but almost 100% is being purchased by Chinese buyers and shipped to China. Chinese buyers have become very aggressive again. Some are even buying low end logs to ship back to China helping to offset the demand.

Why are the Chinese buyers back now in our fall season? They have returned due to the fact that May, June, July and August are monsoon months and little activity can take place when this natural phenomenon takes place.

Be advised if the Chinese buyers cannot find enough #3 they will start purchasing economy and may then turn to rough material.

There seems to be a good supply of #3 shorts available but the demand has slowed the supply.

There are some bargains if you wish to purchase 1x4 Douglas Fir rough material. It is now selling into Vancouver and Calgary for \$325.00 mbfm and \$335.00 mbfm delivered Edmonton. Now these are average costs.

1x4 economy is showing signs of demand outstripping supply. Therefore, look for a lack of 1x4 economy in the future.

Mills are happy, pallet companies are happy and lumber brokers are happy. Available labour is average to good and there is little discussion of anyone stealing accounts. This can mean only one thing, lots of business.

Some have asked why we are not logging the pine kill trees in BC and it was explained that the logs are now rotting out, the new growth is nearing 18 inches in height and if the mills logged these poor quality pine logs they would damage the new growth. I was surprised to be told that the growth was simply nature replenishing itself. Only a few million hectares were planted by humans, most of the new growth is nature's way of recovery.



British Columbia pallet market is strong. Some, based on past years, believe that October will be better than September. Some companies believe that the winter of 2013 will be very busy and 2014 will rebound to 2007 levels.

Everyone is bullish on the future of the pallet and wood packaging industry in BC.

Pallet prices are steady. Lumber prices are stable and the balance between them both has presented a nice profit for companies that know what they are doing.

Many of the top producers continue to complain about those small operators who screw up the market by selling price rather than quality. They undercut the price and typically produce and deliver an inferior product that leaves the pallet industry with a black eye.

Many pallet operations are happy that 1x4 rough has backed off and do see some savings on 2x4 random SPF.

The pallet industry in Saskatchewan and Alberta is running flat out. The labour situation is good, and everyone to whom I spoke is happy with their profit margins.

The pallet repair sector of all provinces is strong. There is a lack of good cores but just enough to service their customers. Prices in Saskatchewan and Alberta are steady at \$6.00-6.25 for a high quality non-HT #1's and \$4.50-\$5.00 for a quality non-HT #2.

BC's pallet repair market is strong but not as strong as Alberta or Saskatchewan. They are selling repaired #1 for \$5.75 to \$6.25 for non-HT and for non-HT #2's, 4.25- 4.75.



Eastern Canadian SPF KD/HT & Pallet Report



Southwest Ontario pallet market is steady to good. One company executive said the pallet market is nothing to write home about but he is satisfied for the time being.

The core business continues to be excellent. Cores prices are holding in price with some availability problems. The biggest recycler in Canada is sucking up a huge number of #1's and #2's leaving fewer for sofe proprietor businesses. The following are average prices from my discussion with some large pallet repair shops.

- Repaired Non HT #1 - 48 x 40's \$5.45 - \$6.00
- Repaired HT #1 - 48 x 40's \$6.25 - \$7.00
- Repaired Non HT #2 - 48 x 40's \$3.80 - \$4.25
- Repaired HT #2 - 48 x 40's \$4.50 - \$5.00.

Everyone is looking forward to a strong fall and winter.



Eastern Ontario

Busy is the word from the pallet companies in Eastern Ontario. All are reporting a consistent demand for their new and used pallets. Everyone is working 40 hours a week with little or no overtime.

No one to whom I spoke talked of a fuel surcharge which was threatened last month.

Repaired ISPM No. 15 pallets are very hot. Hot enough to sell in the \$7.00 range for a standard size pallet.

Consumers know that if they can get a consistent supply of ISPM No. 15 HT pallets they are able to use these pallets to ship offshore much cheaper than paying \$12.00 to \$15.00 for a new pallet. Consumers know they will never get these pallets back so why pay the big price for a new pallet when a used, repaired ISPM No. 15 pallet will work.



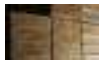
In **Quebec** the pallet industry is very busy. All sectors, new, used and wooden box manufacturers are very busy.

Cant and precut hardwood prices are stable with some deals from some smaller mills.

The vegetable harvest is in season and this harvest is keeping many box manufacturers busy with supply.

The core business is very busy. A few new pallet repair companies have opened to take advantage of the demand but do not seem to be affecting their larger competitors.

The prices of cores mirror the prices in Ontario.



Eastern softwood lumber brokers seem to be a touch slower this month. Some said that selling into the pallet market in the Ontario was sluggish and this is after a decent summer.

There seems to be some very cheap rough lumber being offered by some Quebec or East Coast mills and the brokers to whom I spoke had no idea what mill that could be.

There is some discounted softwood being offered to selected operation. Many softwood brokers both in Quebec and Ontario felt this was from outs, bed frame stock or poor quality fencing that did not move over the summer.

All brokers confirmed that the Toronto region pallet operations were busy and those operators felt that the fall and winter will gain strength.

All brokers felt that the price of softwood will increase in the late fall or early winter. They do not see the rapid increase like many suffered through in the early quarters of 2013 but did see a slow increase in price.

2x4x8 - #3 is now selling for \$285-290.00 delivered Toronto. 2x4x10's #3 is selling delivered Toronto for \$310.00.



Eastern Canada Hardwood Lumber & Pallet Market



The demand for hardwood cants and boards from eastern Canada is showing signs of rebounding. Depending on the broker or mill both Aspen and heavy density board and cants [Oak, Maple, Beech, Birch] are up slightly but many brokers will peg both boards and cants at the August price.

The eastern provinces are now in the mix which is putting pressure on the Quebec and Ontario hardwood mills to hold their price.

Aspen Runners	Toronto	1 ¼ x 3 ½ x 48 Notched	\$.73-76
Aspen Boards	Toronto	5/8 x 3 ½ x 40	\$.32-35
Hardwood runners	Toronto	1 ¼ x 3 ½ x 48 Notched	\$.93-96
Hardwood boards	Toronto	5/8 x 3 ½ x 40	\$.42-45

Price of 4x6 hardwood cants
 \$438.00 FOB Montreal
 \$470.00 - \$480 FOB Toronto
 \$420.00 FOB Maritimes

Price of 4x4 hardwood cants
 \$438.00 FOB Montreal
 \$470.00 - \$480 FOB Toronto

Aspen demand from the US is steady with more and more pallet companies coming north to purchase boards and cants to replace their inventory. The devalued Canadian dollar being also helps.

The price of hardwood cants in the states continues to rise. This increase is due to demand and will finally make its' way into Canada. It might take two or three months but it will come.

The demand by some of the big pallet pool companies is down somewhat but this might simply be them taking a breath before the fall and winter season demand.

Hardwood pallet demand is fair. Many pallet companies in Nova Scotia, New Brunswick and Quebec are moderately busy. Their lumber demands are traditionally

hardwood but as I have said in earlier newsletters many have opted for KD/HT softwood due to price and availability.



US Hardwood

China has lifted the ban on hardwood log shipments from Virginia and South Carolina. The Chinese declared that two years ago they found invasive pests on the logs but have reversed that decision. I have included this article.

US states laud China's lifting of ban on hardwood logs

By MICHAEL BARRIS (China Daily)

China's lifting of a total ban on hardwood logs from Virginia and South Carolina will "re-energize" log exports from that US region, wood-products industry officials said.

"This is exciting news because it always is beneficial for American landowners and forest products companies when other countries lift restrictions on our products", said Tom Inman, president of Appalachian Hardwood Manufacturers Inc, a North Carolina-based trade association.

China had banned hardwood and softwood exported through the Port of Virginia and the Port of Charleston, South Carolina, in April 2011 after discovering nematodes — string-like worms that cause pine wilt — in a shipment.

Capping off a year of negotiations between state and Chinese officials, China in June 2012 began allowing limited exports of hardwoods and softwoods as shipments continued to be treated and tested. By September of that year, China informed the US Department of Agriculture that the pests were effectively controlled in hardwood logs, even though the risk of softwood logs carrying pinewood nematode still remained "very high".

By May 31 of this year, Chinese officials reported that they made two interceptions of pests in 57 shipments of hardwood logs, and two interceptions of pinewood nematode in three shipments of softwood logs.

Even though the total hardwood ban was finally lifted last Sunday, the ban on softwood logs remains in effect.

In an interview, Inman said the ban's end "provides another valuable customer to companies exporting logs and another market for landowners to sell products". In a free market system, he said, "it is valuable to have as many markets as possible".

US hardwoods, especially those from the Appalachian Mountain region of Virginia and South Carolina, hold special appeal for buyers because of their reputation as a sustainable resource with a growth to removal ratio of more than 2-to-1, Enman said. "This hardwood lumber provides the resource for thousands of products used every day around the world," he said.

Kip Howlett, president of the Virginia-based Hardwood Plywood and Veneer Association, said reopening the Chinese market to Virginia logs will be important for Virginia forest landowners and log dealers, "as China is the world's largest log consumer by far".

Rodney W. Oliver, interim executive director of the Virginia Port Authority, credited federal and state efforts to get the ban lifted. The ban's end "will reenergize this piece of export business," Oliver said in a statement on the Port of Virginia website. He said lifting the ban "reopens an important market for companies that export hardwood logs to China via the Port of Virginia."

China is Virginia's second-largest export market and South Carolina's third.

At the time of the ban, US timber exports to China were surging, as Chinese buyers turned to the US and Canada for wood amid the country's construction boom.

China's timber imports brought relief to an industry still depressed because of weakness in the US housing market. After being fueled by the nationwide housing boom for much of the last decade, the US timber industry was hit by the property bust in 2008. To cope with the decline in domestic demand, many timber companies slashed costs by closing mills.

This is not good news for the low grade hardwood consumers in the US because they are fighting harder than ever to find and purchase low grade hardwood at an affordable price as hardwood pallet demand increases. The industry has been told all year that logging has been hampered by weather and demand but now they somehow have found enough logs to supply an offshore market.

Many hardwood mills are attempting to build a log deck for the winter season. This lifting of the the ban on hardwood logs may delay or even stop the attempt to stockpile hardwood logs to service their US consumers. Again add this to the other industries demanding hardwood; rail, board roads, flooring and mats and the future does not look good for the pallet industry to locate affordable or even sufficient hardwood.

Let me refer to the webinar that I attended and the statement by Mark White who said that the wooden pallet industry in the eastern US would grow 5% annually and tracking west where growth would be a minimum of 3.5% annually for the next five years. Add this again to the demand for hardwood supply today and many may be forced to pay an excessive premium for supply.

Let's review the cant prices this month:

South and North Carolina, Georgia	\$430.00 mfbm
Virginia	\$400.00 mbfm
Michigan	\$348.00 mbfm
Tennessee	\$372.00 mbfm
Mid Atlantic	\$440.00 mbfm
PA, IN, Ohio	\$400-414.00 mbfm
Texas	\$435.00 mbfm



Southern Yellow Pine

The most noticeable change this month is that 2x6 #4 KD/HT has fallen off to \$190-210.00 mfbm, depending on the mill. These SYP mills are so large that any

over-supply at the end of the month means a sell-off of over stocked boards. Demand may dictate whether there will be a sell-off this month.

- 1x4 Rough Green \$235 mbf FOB NC, VA
- 1x6 Rough Green \$250 mbf FOB VA
- 2x4 Rough Green \$220 mbf FOB NC (low grade rough green)
- 1 ½ x 3 ½ Rough Green (1 ½ x 3 ½ Count) \$300 mbf FOB SC
- 2x4 #4 KD HT \$220-235.00 mbfm FOB VA, SC, NC
- 2x6 #4 KD HT \$190-210.00 mbfm FOB VA, SC, NC



Canadian Lumber Market – Hardwood & Softwood Supply & Pricing

The Western softwood market

Prices are reflective of delivery major centre.

Douglas Fir - ECONOMY

2 x 4 RL	\$235.00 MBF major centre.
2 X 6 RL	\$225.00 MBF major centre.
1 X 4 M/R	\$330.00 MBF major centre.
1 x 4 Economy	\$320.00 MBF major centre.

SPF ECONOMY

2 x 4 RL	\$240.00 MBF major centre.
2 X 6 RL	\$232.00 MBF major centre.
1 X 4 M/R	\$330.00 MBF major centre.
1 x 4 Economy/5 Common	\$320.00 MBF major centre.

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The Eastern softwood market - This is reflected in the prices FOB Toronto

SPF KD/HT - #4

2 x 4 x 8 economy	\$250.00 delivered Toronto
2 x 6 x 8 economy	\$230.00 delivered Toronto
2 x 6 x 7 economy	\$235.00 delivered Toronto
2 x 4 x 10 economy	\$265.00 delivered Toronto
2 x 3 x 8 economy	\$265.00 delivered Toronto
Notched stringers	\$350.00 delivered Toronto

SPF Rough Lumber - \$60-70.00 for HT

1 x 4 x 8	\$340.00 delivered Toronto or \$400.00 HT
1 x 3 x 8	\$325.00 delivered Toronto or \$385.00 HT
2 x 3 x 8	\$300.00 delivered Toronto
2 x 3 x 7	\$300.00 delivered Toronto

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Typical Core Buy and Sell Prices for #1 GMA or 48 x 40 pallets

Very little has changed in the pallet recycling core industry in both countries. Tight to very tight is the continuous message from recyclers. Core availability is slight better in parts of Ontario but the demand continues to grow.

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The price of GMA's topped again this month in the Northwest. The least costly was in Florida and moves slowly west.

Canadian recyclers continue to welcome the demand for repaired #1's and #2's. US recyclers moved into a tight to very-tight problem more quickly than their Canadian counterparts but now Canadian recyclers are moving in that direction.

There is little change from last month.

. These are **average prices** across **North America**.

- Repaired Non HT #1 - 48 x 40's \$5.85 - \$6.25
- Repaired HT #1 - 48 x 40's \$7.00 - \$8.00
- Repaired Non HT #2 - 48 x 40's \$4.00 - \$4.25
- Repaired HT #2 - 48 x 40's \$4.90 - \$5.50.

As of August 31 – Repaired #1's available

Hardwood	average nationwide USA	Availability > tight to very tight
Hardwood	average nationwide Canada	Availability > average to tight
Softwood	average nationwide Canada	Availability > average to tight



5 Factors for Achieving Manufacturing Excellence in Good Times or Bad

My Opinion: You can always learn something from everyone in any industry. This article will be very informative and may give you some insight and ideas for your pallet operation.

Despite economic uncertainty and volatility, leading industrial manufacturing firms have posted significant gains in their operating margins. What is the secret to their success? These leaders have made peak performance not just a goal, but a top priority.

Supply Chain 247 - Violetka Dirlea, Harris Ng, and Peter Chiang

September 18, 2013

A major market change can have profound and long-lasting effects on asset-heavy industries such as industrial manufacturing.

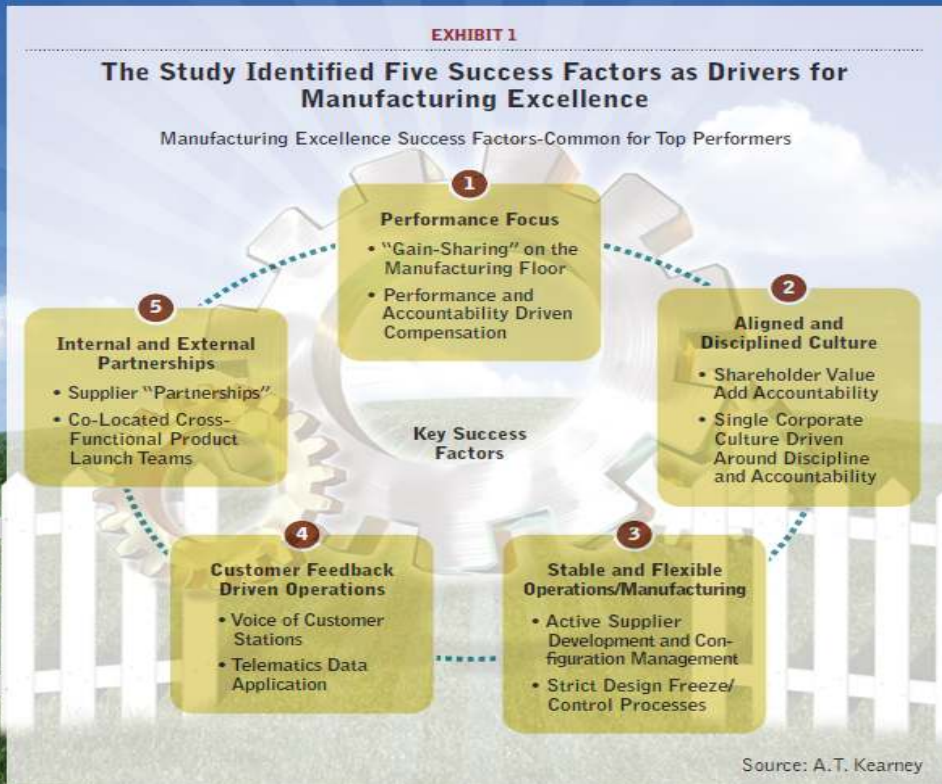
Because manufacturing capacity represents a massive investment that is difficult to relocate or sell off, flexibility and the ability to act quickly to market changes are difficult to cultivate. That makes them enormously important for a competitive advantage.

Despite the economic volatility of the past decade, leading manufacturers have found consistent success. They enjoy better inventory turns, greater operating margins, and higher overall shareholder returns than their rivals.

When downturns hit, they are able to find the volumes and revenues to support their major assets; when the economy rebounds, they are positioned to take advantage of the opportunity. These leaders think and act for both short- and long-term gain.

Five Factors for Success

How do these companies manage to consistently stand out? We recently examined the performance of some leading industrial manufacturers and found five major factors that drive their success, as shown in Exhibit 1 and detailed below.



While individual companies may place varying degrees of emphasis on each, this combination of characteristics keeps them ahead of their peers.

1. A companywide focus on performance. Leading manufacturers get the most out of their employees by accurately evaluating their performance and rewarding those who perform best. They create cultures of strong performance, led from the top down by CEOs who encourage well thought out, relevant, and easy to understand targets for all levels of the organization.

These leaders also seek a commitment to closely track those targets and reward top performers.

Gain sharing is one common practice in which those who outperform standards and achieve predefined quality targets receive incentive pay for the improvements they make.

2. Alignment around a disciplined culture. Leading manufacturers embrace consistent corporate cultures that align all parts of the enterprise. At one company, the successful implementation of an aligned corporate culture started at the top, with the CEO making a concerted push for change.

Next, a dedicated unit embraced the culture and promoted it to all units and geographies. Lastly, the culture was put into detailed requirements and applied to all segments of the organization.

Another company centered the corporate culture to focus on shareholder value add performance. Executives were singularly focused on shareholder value and all underlying performance metrics were tied directly to that top-level metric.

As a result, all decisions and actions were motivated by and focused on improving the underlying shareholder value add and all the areas that affect this important metric.

3. Build stable and flexible operations. In a tumultuous business environment, stability and flexibility are vital for managing short-term ups and downs, and creating long-lasting success. Leading manufacturers seek to stabilize internal factors such as processes and programs, including strict design control and the use of simulation techniques to reduce iterations and changes.

Leaders also seek the flexibility to address those areas that are heavily dependent on external complications, such as suppliers, seasonality, and demand fluctuation. One leader tapped into its vendor base to manage inventory and address demand shifts.

It had high expectations for these suppliers, which needed to have co-located staff, warehouses near its manufacturing facilities, and pre-sequenced “day-of” parts handling to provide further flexibility.

One heavy equipment manufacturer strikes a dynamic balance between stable and flexible manufacturing. The first practice seeks stability via those processes that can be directly controlled, such as product configurations and engineering changes.

Then, flexible manufacturing allows for ready adjustments to external factors, such as seasonality and demand fluctuation. Because its production lines are configured to produce multiple products, the heavy equipment manufacturer can better adapt to changing market conditions than most.

4. Collect and use customer feedback. What do customers want? Addressing this question throughout their operations is a key practice for leading manufacturers. Some use customer service metrics for their operations planning, while others involve their customers in the manufacturing and quality processes, using direct customer feedback to help line workers understand what customers want.

This helps employees develop a sense of ownership, accountability to customers, and empowerment, while customers feel like they have a valued personal relationship with the company.

One example of a leading practice for customer feedback is a capital goods manufacturer that implemented voice of customer stations directly on production lines. The stations visually showed customer defects and complaints, as well as positive feedback.

5. Forge strong internal and external partnerships. Strong supplier partnerships and effective internal collaboration can generate significant advantages for manufacturers.

Partnerships can help maximize the value of supplier relationships by giving more responsibility to and rewarding the top-performing suppliers.

One leading manufacturer used a partnership approach to reduce its supply base by more than 30 percent. It offered its top suppliers greater scale and flexibility, but also held them more accountable for better performance. Overall costs fell, performance improved, and the simplified supplier base reduced overall component complexity.

Internal teams are also vital. Connecting cross-functional product launch teams—including product development engineering, manufacturing, purchasing, services (such as finance and HR), and co-locating suppliers—can ensure better collaboration and reduce the amount of design changes. A leading engine producer uses such teams to eliminate “surprises” and minimize design changes to as little as 0.5 per month during product launches.

Working Together

The five success factors are interrelated—for leading companies, performance, culture, flexibility and stability, a customer focus, and partnerships all work together to create short-term success with a long-term advantage.

As volatility becomes the watchword, companies must adopt these types of practices or risk falling behind competitors.



Driving Demand for Recycled Wood Through Quality Standards

A specification has been developed in the U.K. which sets quality requirements for wood recyclers selling products to markets using recovered wood. The program has been launched by WRAP (Waste & Resources Action Programme). That organization hopes that through the establishment of quality control standards, the demand for recycled wood products will increase, thus further diverting wood from landfills.

The initiative, developed jointly with the Wood Recyclers Association is known as PAS 111:2012. It is a specification for the requirements and test methods for processing waste wood. Heralded as the first of its type wood recyclers that adopt PAS 111 will be able to advertise that their products are 'PAS 111 compliant', meaning that potential customers can be assured that they are purchasing material of consistent and verifiable quality.

"By increasing confidence amongst end users, this will drive growth in existing markets of recovered wood," WRAP states. In 2010, the UK generated 4.1 million tonnes of waste wood, of which 2.44 million tonnes was recovered - but the remainder was sent to landfill. The initiative has been developed by WRAP in conjunction with the British Standards Institution (BSI), the Wood Recyclers Association, Environment Agency and many other industry stakeholders. Panel board manufacture, biomass energy, animal bedding as well as industrial and commercial applications account for major markets.

Peter Butt of the Wood Recyclers Association, which has supported the development of PAS 111, said: "We have worked closely with WRAP and BSI on the development of PAS 111, and its launch is a positive step for the wood recycling industry. It gives our members the opportunity to guarantee the quality and standard of their products, and give their customers added confidence in the



Weekly lumber market update and overview

September 09, 2013, By: Madison's Lumber Reporter

Lumber and panel trading of almost all products took off like a rocket when business resumed Tuesday after the Labour Day long weekend, writes Keta Kosman in Madison's Lumber Reporter.

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This is not a usual time of year for solid wood prices to be rising, and traders were generally taken by surprise as they leapt to fill the flurry of new orders.

The US continued the solid spate of buying customers there have been undertaking for the past few weeks. In western Canada, British Columbia sawmills reported sizable bulk orders from China, for both dimension lumber and studs. Studs producers in particular enjoyed high volumes of sales this week, giving them confidence to pop prices up slightly.

Benchmark dimension lumber, Western SPF KD 2x4 #2&Btr, managed to gain \$7 to finish the week at US\$335 mfbm. Even with the increase in ordering and improved prices, order files at most mills grew -- to a week or two depending on the item -- providing an indication that follow-through in the next couple of weeks will be good.

Panel producers across North America were thrown through a loop with the announcement of Louisiana-Pacific Corp. taking over the quality mills of Ainsworth Lumber Co. Ltd. Pricing on plywood and Oriented Strand Board was extremely difficult to pin down this week due to the announcement. Panel traders expect to get a better gauge on market conditions once there is more communication with customers over the next few days.

Benchmark panel, OSB 7/16" Ontario, gained \$5 to close the week at C\$235 msf. For its part, plywood in the east did not do as well. Canadian softwood plywood 9.5mm in Toronto lost \$8, to C\$382 msf after a few weeks of up-and-down volatility as buyers and sellers negotiated acceptable price floors.

Even as lumber inventories remain dangerously underserved in this burgeoning US home building recovery, log supply at sawmills and panel mills across North America were much improved. Despite raging wildfires in southern Oregon, parts of Colorado, and California recently, the rest of the continent -- particularly the critical timber supply basket of British Columbia -- thankfully escaped significant wildfires so far this year.

With cooler temperatures and major rainfall in the past two weeks, operators were able to get into the back country and fill in their log yards. Most reported having enough fibre to take them through autumn wood production.

Having nurtured a new customer for wood products in China, British Columbia's lumber producers are learning how to serve both their traditional US customers and the new entrants from Asia. Until early this year the lessons were manageable, because demand from the US was still quite low. But going forward the shift in business will prove both challenging and interesting.

Canadian forest companies in the west are going to keep working with customers in both regions. Veteran buyers in the US tend to order a regular supply on a weekly basis, while new customers in China generally make large bulk orders every few months. Canada's mills are learning to provide product for the needs of both, and will be keeping up with this new way of doing business even as US housing starts passes the 1 million annualized mark next year.

Citing a stall in talks, the United Steel Workers announced this week they will be seeking a strike mandate from members next week, against Canfor Corp.'s northern interior BC operations. Negotiations between the USW and Canfor will continue in September.



Denmark to tax firewood - Comment

September 16, 2013, Soren Dreier

My Opinion: Everyone at one time or another joked that something like this could only happen but this decision takes the prize.

It seem like up to three quarters million Danish families from next year will be taxed when buying firewood for their fireplaces or wood-burning stove.

The future tax arising out of the spring energy compromise, which introduced something as sexy as a “supply fee” to be applied to all types of heating fuel.

So far, politicians opted out of a tax on wood – possibly not to fall out with the voters of the approximately 750,000 homes and second homes, according to the Environmental Protection Agency estimated using the stove for heating, either as the sole heat source or to supplement such as boilers or heating.

But now heralds Climate and Energy Minister Martin Lidegaard (R), the new tax is imminent and must hit wide.

“This also applies to biomass such as wood and commercially sold firewood. The government will in 2013 make proposals on the introduction of the tax,” says the energy minister in an email to Politiken.

The message triggers not exactly happy with the Danish Association for Suppliers of Fireplaces and Stoves (Dapo), which brings together all 13 Danish stove companies.

“It makes no sense to tax an energy source that is both CO2-neutral, renewable and saves us millions of tonnes of oil each year,” said Dapo-chairman Peter Jessen Hansen from Morso Foundry.

Dapo, scientists and environmental organizations argue about whether wood is a CO2-free energy like wind and solar, and about how much it pollutes, when the logs are thrown in stoves and fireplaces.



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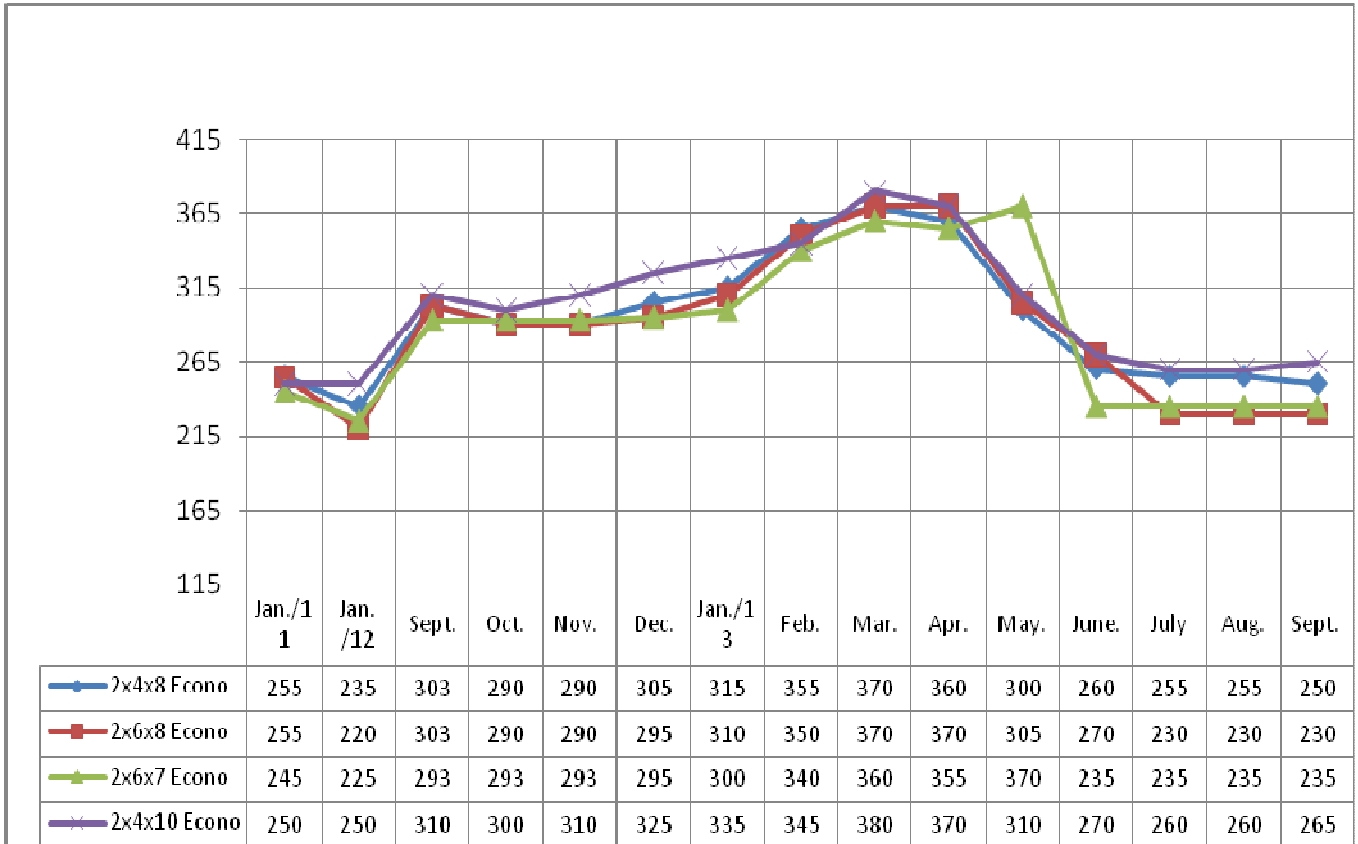
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Wood Packaging Solutions

Eastern Softwood Lumber Graph – Delivered Toronto

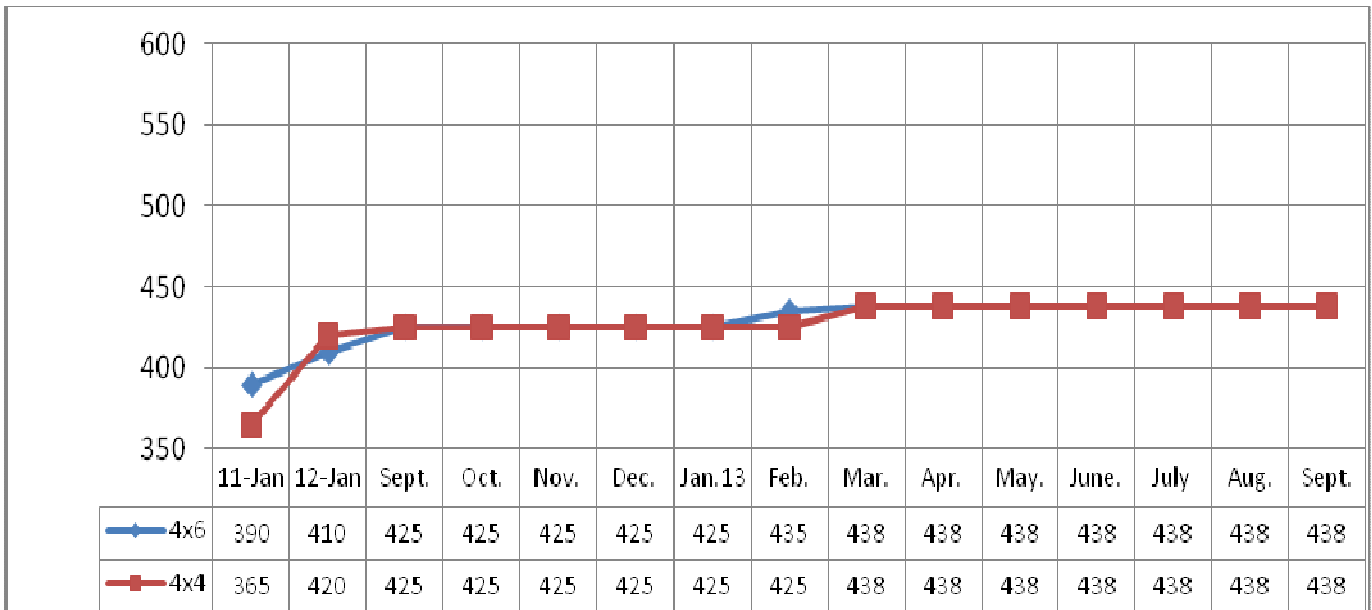


Wood Packaging Solutions

Hardwood Lumber Graph – 4x6 Montreal

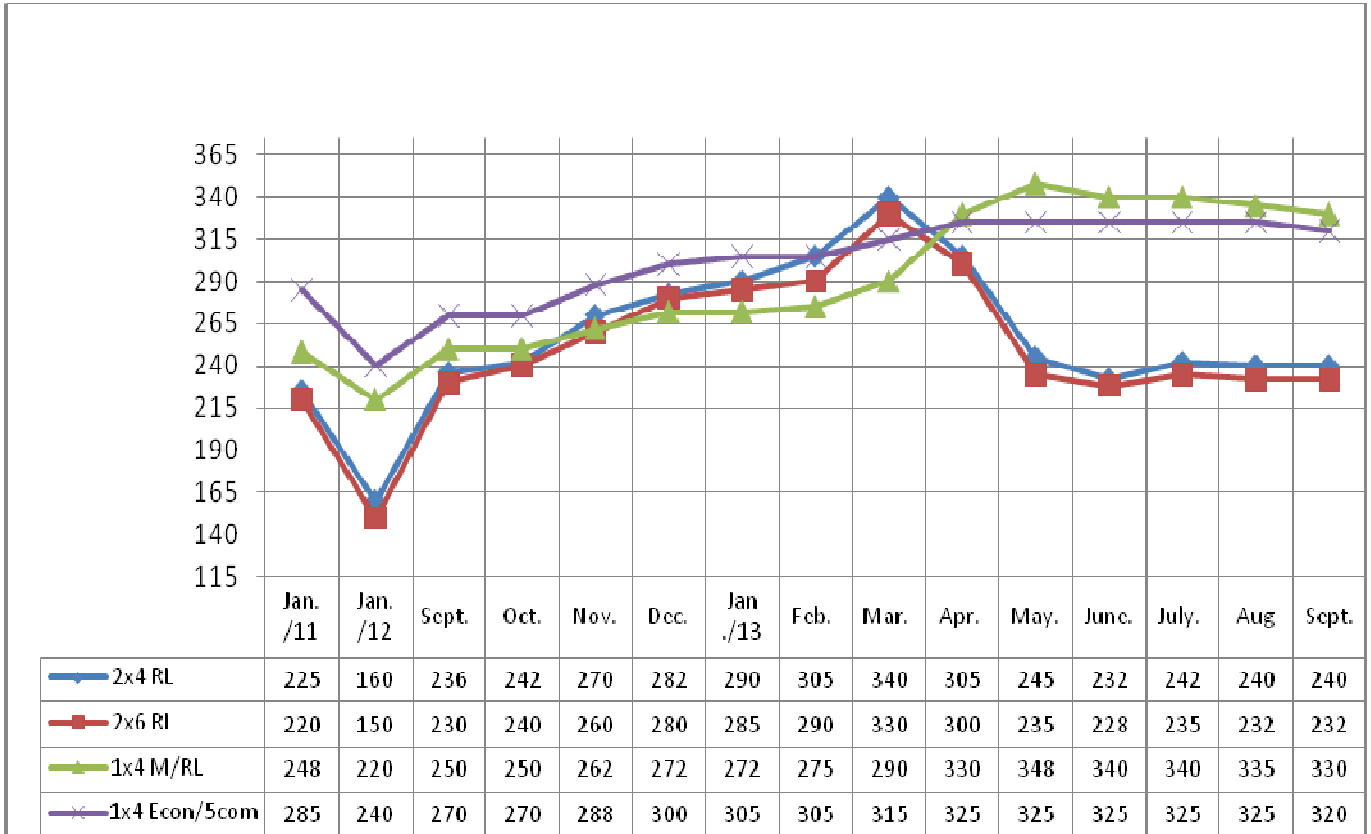
4x4 Montreal

Add \$30-45.00/mbf if delivered Toronto



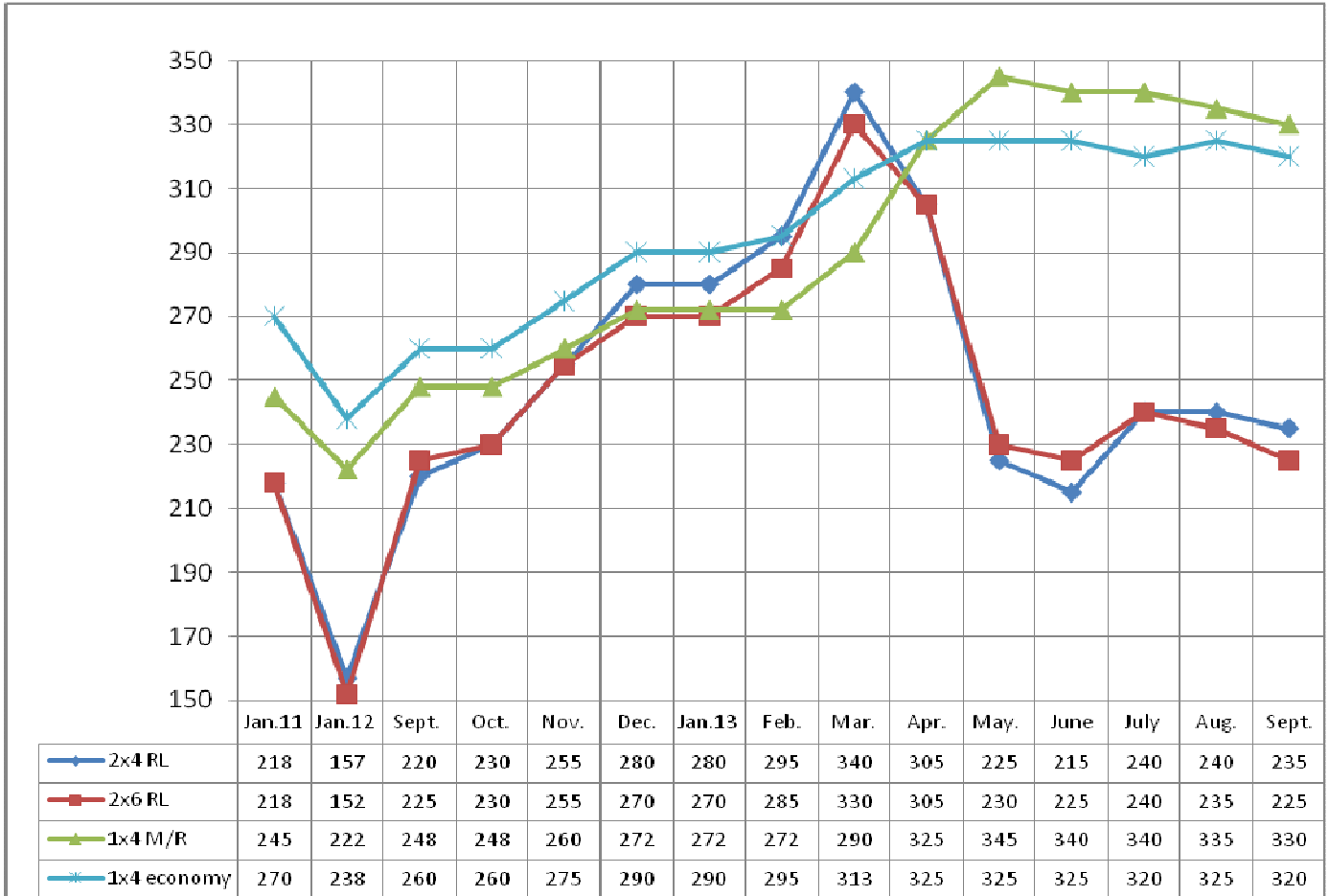
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Western Softwood Lumber Graph – FOB Major Centre



Wood Packaging Solutions

Western Douglas Fir – FOB Major Centre



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Hardwood HT Cants Lumber Graph – FOB Montreal

Add \$30-45.00 more for FOB Toronto

