



**CWPCA
ACPCB**

2016

Annual Report



About the CWPCA

The Canadian Wood Pallet and Container Association is a non-profit industry association representing companies that manufacture wood pallets and containers across Canada. The CWPCA/ACPCB works to develop public awareness of the wood pallet and container industry and foster a greater understanding of the economic and environmental values of this important secondary market for forestry products. The CWPCA provides members with services in the areas of health and safety, continuous improvement, industry promotion, public education, issues management, and government relations.

CWPCA is also a service provider for the Canadian Heat Treated Wood Products Certification Program (HT Program), administering the largest inspection program for wood packaging manufacturers in Canada.

Staff

Brian Isard, General Manager

Scott Geffros, Assistant General Manager

Lori Devlin, Office Manager

Stephanie Poirier, Program Coordinator HT Program

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Ryan Scobie

Message from the President

Reflecting on my years on the Board of Directors with the CWPCA, and more specifically on the last two years as your President, I take a certain amount of pride in looking at the current state of our association. We have become more stable, credible, seen consistent growth, and I am excited by the prospect the future holds for our industry and for the CWPCA.

This past year has been a period of change where we have entered new territories and witnessed the continued evolution of the CWPCA. Due to a dedicated staff, Board of Directors, and volunteer members we were able to tackle some very big challenges with positive results. My appreciation goes to the members who have stepped forward and offered their time and expertise to our committees, especially those who most recently sprang into action to form the new Trade Advisory Committee to ensure our voice was heard by policy makers.

At this year's AGM, the Board of Directors will be downsizing in an effort to maximize efficiencies. To those who have chosen to step down, I sincerely thank you for your dedication and participation. I will be ending my term as President, but look forward to my continued involvement with the Board in the role of Past President. As my final address to you, our members, I invite you to take some time and read through this annual report. There is some great information contained within, and it is a testament to the positive things that the association does for the industry and its members. I invite you to comment to the Board, the staff, and each other about this document and how the association is running. Please continue to participate, come out to events, join committees, but most of all be heard and share your voice.

I believe having an association like the CWPCA, along with its dedicated staff is an invaluable resource in the fast paced, constantly changing environment we all operate in. It has been my pleasure serving you as President, and I am confident in the direction that the CWPCA will continue to travel in as we embark on another year.

All the best,
Ryan

Message from Ottawa

Following in the footsteps of last year's first ever CWPCA Annual Report, we are pleased to offer you the 2016 edition. Inside, you will find information, infographics, and highlights from the past year that detail the activities, causes, and events that the CWPCA participated in, sponsored, or hosted.

The CWPCA works for YOU. Our singular goal is to support our members and their interests in domestic and foreign markets alike as well as provide information, resources, and advice aimed at helping your businesses and operations. As members, you provide strength in numbers and a collective voice that we use to guide us towards addressing the issues and initiatives that matter to you.



We trust that you continue to find value in membership and support the CWPCA as we strive to grow and transition towards the future. We encourage all of you to lend a voice, call us, e-mail us, participate in events, on committees and continue to build on the forward momentum that we are gaining.

All the Best,

Brian, Lori, Scott, and Stephanie

Highlights from 2016

Nature's Packaging

The Nature's Packaging initiative entered its second year, and we could not be more excited by its direction and initial results. The website, naturespackaging.org, was officially launched in March 2016. A French section was later added, furthering the initiative's reach to a broader audience.

Our US counterparts, armed with data supported by Nature's Packaging, were able to defeat a house bill in the state of Oregon aimed at keeping wood packaging out of state supply chains in favor of corrugated material. Closer to home, numerous Canadian companies took advantage of the initiative and used it to successfully substantiate the sustainable attributes of wood packaging, and protect their markets.

As a result of our involvement in Nature's Packaging, the CWPCA was invited and now holds a seat in the US based "Pallet Foundation", which helps to administer funds and resources to support the wood packaging industry and provide education in North America.



Advocacy and Policy

The main purpose of this Association is to represent the Canadian wood packaging industry, our members, and the products you manufacture. We do this by advocating on your behalf on issues that will affect you and by promoting wood packaging over those made of competing materials.

In 2016 we represented you and your interests at the following events and meetings:

- Expo Richmond
- PACEX Montreal
- NWPCA Annual Leadership Conference
- WPA Annual Meeting
- 40th North American Plant Protection Organization (NAPPO) Annual Meeting

Another major initiative was around the Softwood Lumber Agreement between Canada and the US. As a result of these negotiations, wood packaging and wood packaging components (which were previously exempt) were being targeted as products to be assessed for countervailing and anti-dumping duties. CWPCA responded to this challenge by:

1. Hosting a conference call with members where Steven Rustja, Vice President-Trading at Weston Forest Products, explained the potential repercussions.
2. Creating a new Trade Advisory Committee, which works to provide insight and guidance on the CWPCA's position with regards to this specific issue and is expected to continue to guide us when dealing with issues that affect the free flow of our products.
3. Gathering data on dollar value of exports into the US on products covered by the Scope of Investigations and total board footage of softwood lumber used to build those products.
4. Attending the United States International Trade Commission (USITC) Preliminary Investigation in Washington, DC.
5. Working with Global Affairs Canada to advise them on the repercussions of these potential duties on the North American wood packaging industry.



Statement of Financial Position

In 2016, the Association saw consistent spending that had the year end in a similar position as 2015. The focus remained on the Nature's Packaging Sustainability initiative and membership recruitment, and the additional initiative of preparing to bring the HT Program Inspection Services in-house in 2017. Once again, the Association had a clean audit from the accounting firm of Leslie McLeod, and remains in a solid position entering 2017.

Refer to Appendix A for the audited financial statements.

Membership

CWPCA's growth trend persisted, and membership in the association increased. Efforts to engage members and grow the association continued with a total of 73 member, client, and potential member visits conducted in five provinces.

2016 saw the CWPCA play host to three well attended and successful events: our AGM in Toronto, the Western Focus Meeting in Kelowna, and the Annual Golf Tournament also held in the Toronto area. Each event played host to a broad spectrum of members, and it should be noted that for the first time, the Association chose a charity as our cause for the day and was able to raise in excess of \$1100 for the Canadian Children's Wish Foundation.

Other initiatives included:

- Conducting our first Wage & Benefits Survey, allowing us to get an idea of the diversity in the size, makeup, and practices of businesses in our industry.
- Continuing our Health & Safety Webinar series with one on Ergonomics Assessments
- Implementing a new logo and look for CWPCA materials, based on the analysis and recommendations in our marketing plan
- Adding a new Affiliate membership category, in order to broaden our membership



Regulatory Affairs

We have continued to maintain a close working relationship with CFIA and other industry stakeholders through various meetings and communications. These included:

- Two meetings of the Canadian Forest Phytosanitary Working Group (CFPWG), of which Brian is chair
- One meeting of the Canadian Forest Products Advisory Committee (CFPAC)
- One training session on our industry for CFIA at one of our members' facility

These meetings help us make sure that our industry's voice is heard when regulations affecting us are discussed and implemented. An example of this was the development of the HT Program Q&A, on which we consulted.



HT Program

2016 brought a significant change in the frequency of inspections, resulting in a 50% increase in the number of inspections performed by our team.

Since CWPCA became the service provider for the Canadian Wood Packaging Certification Program in 2006 the inspection service was sub-contracted to Douglas A. Taylor & Associates. In an effort to improve efficiency and reduce costs, we decided to hire the inspectors and bring the inspection service in house.

A lot of work went into preparing for this transition, such as negotiations, analysis, and planning. This new organizational structure officially started in January 2017.


Other initiatives included:

- Holding a HT Program training session for registered facilities in Kelowna, in conjunction with our Western Focus Meeting.
- Conducting our annual Client Satisfaction Survey.
- Implementing a new dunnage stamp requirement.
- Starting a program newsletter, HT Program Update, to keep our clients informed on policy changes, frequently asked questions, as well as best practices.
- Conducting training sessions for our team of inspectors, including our annual in person meeting in Toronto and a conference call training sessions on kilns.



 **14** inspectors



70 



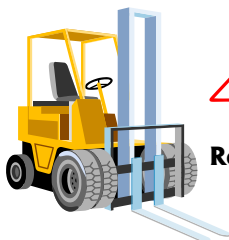
10 Major non-conformances

60 Minor non-conformances



1542

Inspections completed
(Compared to 1043 in 2015)



464

Registered facilities

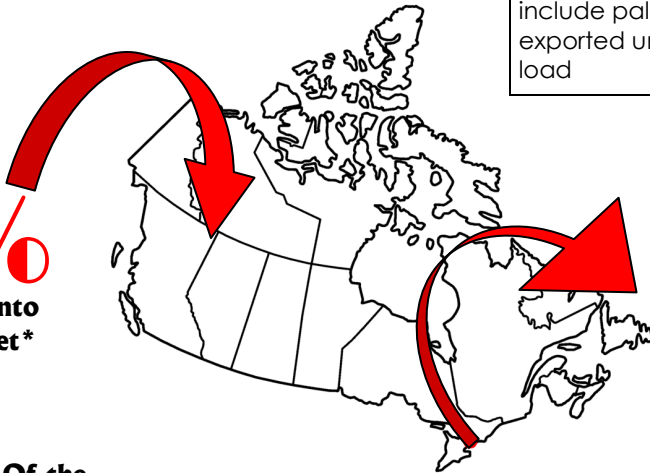
86% Satisfaction with our customer service

Satisfaction with our inspectors

90%

Industry Statistics

84%
products sold into domestic market*



This does not include pallets exported under load

16%
products from our industry exported



Where to?

97%
exported to the United States

1.4%
exported to the European Union

The balance of wood packaging exports were sold in Mexico and Australia*



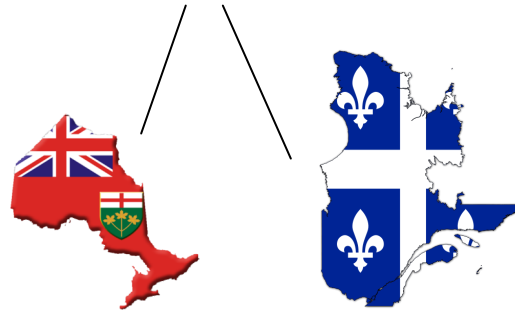
Of the **\$28,823,275,000** in sales made by the Canadian wood products manufacturing industry, our industry made

\$820,853,000*

= **2.8%**

80%

Of goods sold by our industry came from QC and ON*



This is quite astounding considering the typically "low value" assigned to the products we make, and comparing that against higher value and "value added" products such as lumber, mobile homes, etc.

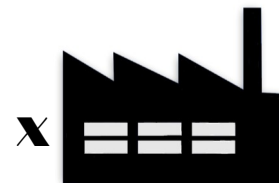
74%

Facilities located in large urban centers

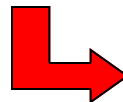


Compared to 7% in small towns and 19% in rural/farm areas. **

471



Canadian wood packaging manufacturing facilities*



163 Without employees

308 With employees

* StatsCan ** CWPCA Survey

Member Testimonials

"I had the pleasure of meeting Scott back in December of 2016 at the Western Pallet Association convention. What began as a predominantly Mid-West company, Olympic has expanded and handles business throughout the United States and Canada. Developing relationships nationwide and throughout North America has been a vital component to our success. Shortly after conversing with Scott, Olympic became a member of the CWPCA and we are all very thankful we did. They have been able to introduce us to a vast array of manufacturers throughout Canada and facilitate personal introductions. Scott and the CWPCA are a valued resource to Olympic. We look forward to utilizing one another more in the future."

Moises J. Rivera | Senior Sales Manager
Olympic Forest Products Company

As an active trader in the pallet industry for many years it has been great to see the commitment that the CWPCA has put forth in regards to the most recent lumber negotiations with the USA. It is great to see this organization put in such a commitment to stand up for the greater good of the Canadian Pallet Industry. Although there are still many negotiations and agreements that need to happen, they have given a strong voice to ensure our concerns are heard by the right people. Not sure where the industry would be headed if Brian and Scott hadn't taken the lead on this issue when they did."

Donnie McMurray | Senior Trader
Silvaris Corporation

"Since the initial success with Nature's Packaging, we have forwarded the website to other clients to support the fact that North America's forests are actually growing, not dwindling like some Third World countries. Because of solid facts outlined on the website, it's quite difficult to challenge and as such has been a useful tool against environmentalists who assume things. In other words, wood pallets are safer and cleaner than plastic or steel."

Scott Hughes
Hupaco Wood Products

Governance

Board of Directors 2016-2017

Ryan Scobie - **PRESIDENT**

WOODBIDGE PALLET

JASON WHEELER - **VICE-PRESIDENT**

HERWOOD INC.

Simon Trillwood

TOPAX EXPORT PACKAGING SYSTEMS

Rob Anderson

ST. BONIFACE PALLET COMPANY LTD.

Graham Haycock

PACIFIC PALLET

Fred Vrugteveen

NIAGARA PALLET & RECYCLERS

Henry Wall, Jr.

H & H WOOD PRODUCTS

Associate Directors

Vic Ulgiati

WESTON FOREST PRODUCTS INC.

Vincent Piche

CANADIAN WOOD PRODUCTS

Herman Long - **PAST-PRESIDENT**

SCOTIA PALLETS LIMITED

Sukhi Brar - **TREASURER**

ADVANCE PALLET & CRATE

STEVE McCONKEY

NEFAB INC.

Marco Turcotte

GROUPE SAVOIE INC.

Martin Boutet

LCN Inc.

Paul Simpson

PALLET RENEW INC.

Sean Meston

CALGARY PALLET

Joe Carbone

STANLEY BLACK & DECKER

Committees

- The Nominating Committee handles the process for recruitment, appointment and ongoing development of Directors.
- The Finance Committee provides oversight relating to the annual budget, financial information and policies, internal control systems and the audit process.
- The Social Media Committee helps the Board assesses the growing and evolving space that social media occupies in our world and helps to devise strategies to engage members and promote the industry, the association, and our members.
- The Event Planning Committee provides advice and recommendations on the organization of the annual general meeting and the regional meetings held annually .
- The Strategic Planning Committee provides advice and recommendations on issues related to the future direction of the Board.
- The Packaging Committee provides oversight of our role and performance as a Third Party Auditor as per our agreement with the Canadian Food Inspection Agency.
- The Trade Advisory Committee provides advice and guidance on the Association's positions with regards to trade issues affecting our industry, such as the Softwood Lumber Agreement.

Current Membership List

Manufacturing Members

A-1 PALLET ENTERPRISES INC.	EMBALLAGE MONTREAL EXPRESS	MICHIGAN PALLET RECYCLING INC.
ADVANCE LUMBER REMANUFACTURING	ENVIRO PALLET RECOVERY BUY & SELL LTD.	MOEN LUMBER SALES LTD.
AFT SAWMILL LIMITED	FOUR-PACK (9146-3232 QC Inc)	MOORE PACKAGING SYSTEMS
ALBERTA PALLET CO	G.L. WOOD PRODUCTS	MURDOCK MACKAY LTD.
ALEX PALLET	GALAXY PALLETS (1998) INC.	NEFAB INC.
ALL FAB PALLETS	GROUPE SAVOIE INC.	NIAGARA PALLET & RECYCLERS LTD.
ALLIN CABLE REELS - DIV. OF J. HAMELIN	H & H WOOD PRODUCTS INC.	NORTH AMERICAN CRATING INC.
ALPA LUMBER MILLS INC	HALDIMAND WOOD MFG.(James Gordon & Sons)	NORTH STAR PALLETS INC.
BALGONIE PALLETS & CRATE LTD.	HAMILTON X PACKAGING & PALLETS	OLYMPIC FOREST PRODUCTS CO.
BARCO MATERIALS HANDLING.	HERRGOTT INDUSTRIES LTD.	ONGWEOWEH CORPORATION
BLUEWATER PALLET INC.	HERWOOD INC.	ORILLIA WOODWORKING INC.
BOWMANVILLE WOOD PRODUCTS INC.	HILLHURST PALLETS LTD.	OXFORD PALLET & RECYCLERS LTD.
BOXER BUILDING & CRATING LTD.	HOOVER SAWMILL & PALLET INC.	PAC EX CRATING LTD.
BRAMPTON PALLET	HUPACO WOOD PRODUCTS LTD.	PACIFIC PALLET LTD
BRIDGEWATER METAL INDUSTRIES	IROQUOIS ENTERPRISES	PALLET MANAGEMENT GROUP (2)
BUTLER & BAIRD LTD.	IVOR FOREST PRODUCTS LTD.	PALLET RENEW INC.
CAISSES & PALETES CERTIFIEES DU QUEBEC	J & M PALLET	PALLETS AND MORE, INC. (BLOOMFIELD)
CALGARY PALLET LTD.	J & R PALLET RECYCLING LTD.	PARAMOUNT PALLET, LP.
CAN-CRATE INDUSTRIES LTD.	J. HAMELIN INDUSTRIES	PECO PALLET
CHALLENGER PALLET LTD.	JAMES MARTIN	PETE'S PALLET MANUFACTURING
CHEP CANADA	K & V PALLETS INC.	PIONEER PALLET & LUMBER LTD.
CHRYSALIS WOOD AND PLASTICS LTD.	KEVCO PACKAGING INC.	PRECISION WOOD PRODUCTS
CITY PALLETS INC.	KINGS WOOD PRODUCTS	PROWEST SHIPPING & PACKAGING LTD.
CRATEX INDUSTRIES LTD. (EDMONTON)	L E WOOD MANUFACTURING & LUMBER SALES	QUINN & QUINN INC.
CRE-O-PACK PACKAGING INTL INC.	L.H. PLANTE ET FILS INC.	R.J. DUNGEY & SONS LTD.
CUSTOM CRATING LTD.	LCN PALLETS & CONTAINERS	RANGER ENTERPRISES
DAVID McNABB PALLET MFG. INC.	LES PALETES BB INC.	RESTON PKGING SOLUTIONS (1754147 ONT INC
DOMINION PALLET & CRATE LTD.	LITTLE 'D' PRODUCTS LTD.	ROY'S WOOD SHOP LTD.
DURHAM PALLET SERVICES	MAGNUM PACKAGING INDUSTRIES	S & B PALLETS LTD.
EASTERN ONTARIO PALLETS LTD (kiln)	MAYFAIR LUMBER SALES	SASKATOON PALLET LTD.
		SCOTIA PALLETS LTD.

SEA AIR INTERNATIONAL
SEA-CAN CONTAINERS
SHUR-WAY INDUSTRIES (2010) INC.
SOUTHEAST PALLET & WOOD PRODUCTS
SPRING HILL PALLET INC.
ST. BONIFACE PALLET CO.
STELLAP PALLETS (1586-720 ONT. INC)
THAYER LUMBER CO. INC.
THOMCO PALLET & BOX (IROQUOIS ENTERPRISES)
THULIUM LTD.-THULIUM FARM
TOLKO INDUSTRIES LTD.
TOPAX EXPORT PACKAGING SYSTEMS
TOPCO PALLET RECYCLING LTD.
TOTAL PALLET SOLUTIONS INC.
TRICAN PACKAGING INC.
UNITED PALLETS AND CRATES INC.
VERBEEK PALLET SUPPLY CO. LTD.
WAINFLEET BOX & PALLET
WILLOW BRAE CORPORATION
WINDSOR PALLET LTD.
WOODBIDGE PALLET LTD. (kiln)

Associate Members

AIR-IT-ON
BENOIT & DIONNE FOREST PRODUCTS
BISSETT FASTENERS
BOIS BONSAI INC./BONSAI LUMBER
BOLDUC EQUIPEMENTS INDUSTRIELS INC.
BPWOOD
BRAMWOOD FOREST INC.
CANADIAN WOOD PRODUCTS
CENTURION LUMBER LTD.
CORALI - USA
CORE CANADA SOLUTIONS INC., DIV.
SHAW SABEY & ASSOC.
DIRECT TIMBER INC.
DOUGLAS G. HUNTER INC.
DV HARDWOODS
FALCON LUMBER LTD.
IMH MACHINERY AB
INDUSTRIAL RESOURCES
INNOVATIVE DATA SYSTEMS, INC.
J.H. KEESO & SONS LTD.
LASADA INTERNATIONAL INC.
MAXWOOD LUMBER LTD
McRAE MILLS
NICHOLSON & CATES LTD.
NORTH AMERICAN FOREST PRODUCTS LTD.

ONTARIO SAWDUST LTD.
PALLET MACHINERY GROUP
PENDU MANUFACTURING INC.
PRS GROUP
REMBOS INC.
RESSOURCES LUMBER
ROTOCHOPPER
SHUR-FAST FASTENERS INC.
SILVARIS/LOW GRADE LUMBER
SPEC WOOD
STANLEY BLACK & DECKER
STERLING MARKING PRODUCTS INC.
T.L.B. PRODUITS FORESTIERS INC
TALL TREE LUMBER CORP
TAURUS CRACO MACHINERY INC.
TOWNSEND LUMBER INC.
TRANS CANADA STAMP
VIKING ENGINEERING
WESTON FOREST PRODUCTS INC.
WOOD-MIZER CANADA

Affiliate Members

TIMBER PRODUCTS INSPECTION, INC.

