



**CWPCA
ACPCB**

2017

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.

2017 Staff

Brian Isard, General Manager

Scott Geffros, Assistant General Manager

Lori Devlin, Office Manager

Stephanie Poirier, Program Coordinator HT Program

Table of Contents

3—Message from Ottawa

4—Message from the President

6—Highlights from 2017

10—Industry Statistics

12—Governance

13—Members

Message from Ottawa

Compiling these Annual Reports has become something that we look forward to as it gives us an opportunity to not only look back and review the year, but also helps to point us to the future.

2017 was eventful on many fronts. The Canadian industry faced uncertainty over the looming Softwood Lumber Trade deal with the U.S., and as we have reported, the U.S Coalition leading the charge for penalties on Canadian softwood lumber threw a curveball and sought to include items which were previously exempt under former trade arrangements. Assembled pallets and “pallet kits” were now on the table. The CWPCA, along with a host of other partners, worked to-

gether to petition the Canadian Government to hear our voices and work with us to exclude these items. Our members rallied and formed the Trade Advisory committee in late 2016 and worked diligently through 2017 to guide our efforts. In the end we pulled out a small victory by ensuring that assembled pallets were not subject to duties, however we lost the battle when it came to cut stock in the form of pallet kits. As this is written, things are pretty quiet on this front, with other issues taking center stage.



July of 2017 marked the beginning of very strong upwards pressure on lumber pricing that continues to this day. While some of this has been influenced by the implementation of duties, there are many other factors at play. Current indicators do not point to an end to the rising prices any time soon, however, our industry is home to many resilient and resourceful individuals who are finding a way to make it all work!

Life in and around the CWPCA office has been busy as well. 2017 was the first year that the CWPCA had full control over the HT Program from a business perspective, having completed a transaction to bring the services of the inspection team in house. The transition has been seamless and we look forward to continuing with the team. Speaking of the HT program, the CFIA announced late in 2016 that they would be stepping up their role as the oversight agency while delegating operational tasks and autonomy to the service providers in what is known as their Alternate Service Delivery model. 2017 was a preparation year for us as we readied ourselves and our clients for the large-scale audit being conducted by CFIA in late 2018 and early 2019.

We sincerely hope that you will take some time and read through this report and would encourage you to provide feedback. We want to hear from you and are always open to your suggestions and recommendations as to how we can continue to provide the best services to our members.

Thanks for your continued support,

Scott, Lori and Stephanie

President's Message



The past year has been a transition year for the CWPCA. My transition into the President's chair, with the great support of our Past President Ryan Scobie and our Executive committee, has been a great experience. Also, Scott Geffros moving from the Assistant Manager's position into the role of General Manager and Program Manager evolved throughout 2017 and is now in full swing since the retirement of Brian Isard at the end of March. Brian was a very important part of our association's success and development in the years he was in that position. Even though he will be missed by us all Brian helped set up the proper transition of his departure by mentoring Scott over the past two years.

The new website worked on by our staff is proving to be a success. It has combined both the CWPCA and the HT Program activities and this has generated cross interest for both. Our staff has been a great asset to our success over the years and thanks to them the CWPCA continues providing information to its members helping them stay informed on important subjects and make decisions to improve their businesses.

CWPCA is proud to have four francophone members on the Board of Directors, one perfectly bilingual staff member in Ottawa, and a new bilingual website allowing us to keep all our francophone members informed. Following a visit from Scott to an Association des manufacturiers de palettes et contenants du Québec event in Quebec, I was able to determine that communication in both languages is doable and that CWPCA has the necessary resources to respond to the needs of francophone members. It's up to you to take advantage.

This year our Annual General Meeting is integrated with Interpal, and will be a huge activity to attend. It gives our members face to face access to international contacts that can lead to new opportunities to develop contacts with equipment or raw material suppliers as well as a chance to exchange with people from around the world in the pallet and wood packaging industry.

I believe our smaller and medium size manufacturing members need to take more advantage of what the CWPCA has to offer. Our qualified staff is there to help you with your business needs. I think it is important that the CWPCA continues to be in contact with its members to continue providing resources for the the changing challenges our industry faces.

Jason

Message du Président

L'année dernière a été une année de transition pour l'ACPCB. Ma transition à la présidence, qui s'est faite avec le grand soutien de notre président précédent Ryan Scobie et de notre comité exécutif, a été une expérience formidable. De plus, suite à la retraite de Brian Isard à la fin mars, Scott Geffros est passé de directeur adjoint à directeur général et gestionnaire de programme au cours de l'année 2017. Brian a joué un rôle très important dans le succès et le développement de notre association pendant les années où il a occupé ce poste. Bien qu'il nous manquera, Brian a aidé à établir la transition appropriée advenant son départ en instruisant Scott au cours des deux dernières années.

Le nouveau site web sur lequel notre personnel a travaillé s'avère être un succès. L'ACPCB et les activités du programme TC y sont combinées et cela a suscité de l'intérêt envers chacun d'eux. Notre personnel a grandement contribué à notre succès au cours des années et grâce à lui, l'ACPCB continue de fournir des informations à ses membres les aidant ainsi à rester au courant sur les sujets importants et à prendre des décisions pour améliorer leurs entreprises.

L'ACPCB est fier de compter parmi ses membres quatre francophones qui siègent sur le conseil d'administration, un membre du personnel parfaitement bilingue à Ottawa et un nouveau site web bilingue qui nous permet de tenir nos membres francophones informés. Après que Scott eu participé à un événement de l'Association des manufacturiers de palettes et contenants du Québec, j'ai pu déterminer que la communication dans les deux langues est faisable et que l'ACPCB a les ressources nécessaires afin de répondre aux besoins des membres francophones. C'est à vous d'en profiter.

Cette année, notre Assemblée générale annuelle est intégrée à Interpal, et ce sera un énorme événement. Cela permet à nos membres de communiquer directement et donc de se créer des contacts internationaux, ce qui peut mener à des nouvelles possibilités de développer des contacts avec les fournisseurs d'équipement ou de matières premières, mais aussi à une chance d'échanger avec des gens de partout dans le monde qui œuvrent dans l'industrie des palettes et emballages en bois.

Je crois que nos membres du secteur manufacturier de petites et moyennes entreprises doivent profiter davantage de ce que l'ACPCB a à leur offrir. Notre personnel qualifié sera heureux de vous aider dans les besoins de votre entreprise. À mon avis, il est important que l'ACPCB demeure en contact avec ses membres pour continuer à leur fournir les ressources pour mieux affronter les défis changeants de notre industrie.

Jason

Highlights from 2017

Advocacy and Policy



1 In person meeting

with Global Affairs Canada with CWPCA GM and two members of CWPCA's Trade Advisory Committee, Dave Uppal (Pioneer Pallet) and Todd Peters (River City Pallets), who are negatively affected by the duties



Brian Isard gave a presentation on wood packaging industry market trends at a **Forest Nova Scotia** meeting.



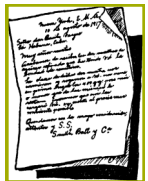
CWPCA has been maintaining a presence with our US counterparts at their respective AGM's which continues to support the growing ties between the three organizations. Scott attended the **WPA Annual Meeting** in California



Brian attended the **NWPCA Annual Leadership Conference** in March, where he and two CWPCA members were at the table for the first time at the **Global Pallet Forum**. We now also hold a seat within the **Pallet Foundation**, represented by one of our members.



6 conference calls + 10+ direct calls with Global Affairs Canada on SLA



3 submissions to Global Affairs Canada on SLA, arguing that assembled pallets, unassembled pallets, and notched stringers should be excluded from the scope.



CWPCA received **national television exposure** for efforts aimed at minimizing the impact of softwood lumber duties on wood packaging. Sukhi Brar (Advance LumberManufacturing), CWPCA Vice President, appeared on CBC while Brian Isard appeared on CTV.

These things are very significant as it recognizes our place in not only the North American industry, but globally. CWPCA provides a platform for a collective voice for our members, strength in numbers if you will. The Global Pallet Forum and Pallet Foundation further provide a vehicle for our voices to unite with those around the globe and deal with common issues

HT Program



We officially took over from our sub-contractor Douglas Taylor & Associates on January 1, 2017, **bringing the inspection service in-house**



Signed new contract with CFIA for **three more years**



We recruited **3 new members** for the CWPCA Packaging Committee



We ended the year with a total of **458 Registered facilities**



We completed a total of **1532 Inspections**



CWPCA issued **9 Major non-conformances** and **48 minor non-conformances**



We had **13 inspectors**, covering all of Canada with the exception of PEI and the territories



Our **annual inspectors meeting** was held in Toronto in January 2017



Scott travelled to conduct **surveillance audits** with inspectors in NB, NS, ON, MB, SK, QC, for training and quality assurance.



Our 2017 Client Satisfaction Survey found **92% Satisfaction with our customer service** and **94% Satisfaction with our inspectors**



A **new CFIA Q&A document** was released in February, which included clarity on requirements for unassembled packaging as well as new rules for dunnage



A **new emphasis** was placed on **traceability** (e.g. cut stock) and kilns in 2017, part of our continual effort to improve ISPM 15 compliance.



We released a **case study** and suggested procedure on **live pest interception** as part of our annual HT Program Update.

Membership



CWPCA launched a **new website** in October 2017, combining canadianpallets.com and woodpackaging.ca into the one stop for information on the HT Program and Association



We launched a **Production & Recycling Survey** to gather data on lumber purchases and productivity in the industry for lobbying and advocacy purposes. We were also hoping to use the data in our joint pursuit of an Environmental Product Declaration through Nature's Packaging



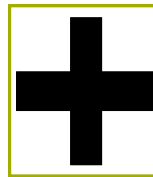
Canadianpallets.com had a total of **15,397 visits** in 2017, including **767 searches for suppliers**



We are extremely happy to report that 2017 saw a **100% renewal** of members and as with the previous 2 years, we have been able to sustain a **growth rate of approximately 5%**



Our **AGM** was held in Lac Leamy, QC, in the National Capital Region, where delegates were treated to a first-class facility, an exceptional evening of fun and networking. The program featured presentations covering international trends, Nature's Packaging, the softwood situation, and a thought provoking presentation looking at the move towards the circular economy



6 new members joined the Association in 2017, bringing our total to **112 manufacturing** members, **47 associate** members and **2 affiliate** members



CWPCA's **Board of Directors** reduced from seventeen to fifteen directors to reduce costs. There were elections at AGM due to increased interest in participating. Ten members ran for seven seats (only half the board runs in any given year)



2017 also saw the seeds planted for the co-hosting of **INTERPAL** with the NWPCA. Although the event will take place in September of 2018, much of the initial planning and groundwork for this event was laid long before the calendar turned to the new year

Nature's Packaging



As a part of the collaborative efforts with the NWPCA and WPA, work began on the wood pallet "**Environmental Product Declaration**" that will soon become part of your arsenal of tools geared towards communicating the full sustainability message that our industry possesses



Research on most key points was completed, including a study done in conjunction with Virginia Tech on landfill avoidance



There were **95 Downloads** of the Nature's Packaging logo in 2017



3,444 total visits to naturepackaging.org, made by **3,408 unique visitors**



There was a **renewed focus on marketing**, reaching a wider audience with the environmental benefits of wood packaging

Regulatory Affairs



2 submissions were made to Technical Committee for policy reviews on mark obliteration and removing the need for the Committee to approve the work of Third Party Kiln Auditors.



1 meeting with Canadian Forest Product Advisory Committee



We held a **webinar on WSIB rate modernization** given by Mackenzie Pineda, Assistant Director on the Rate Framework Modernization

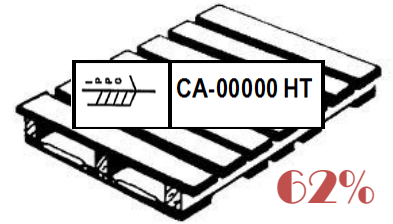
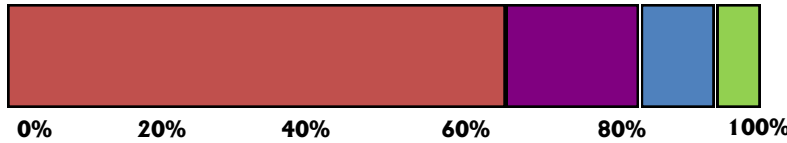


2 meetings with the Canadian Forest Phytosanitary Working Group

CWPCA Production & Recycling Survey

The survey was conducted in 2017 but consists of data for 2016. Due to the low number of responses, this cannot be considered a scientific survey but still produced interesting results. Here are some examples:

Out of total production reported by respondents

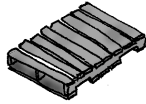


62%

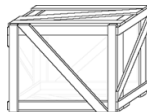
of pallets produced were marked ISPM-15 certified



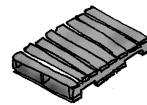
new pallets
66%



recycled/recovered or repaired pallets
19%



crates/containers
10%



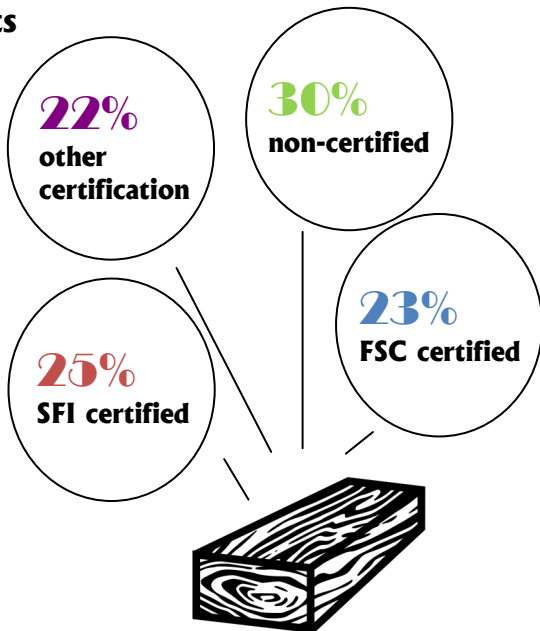
remanufactured or "combo" pallets
5%

48 X 40

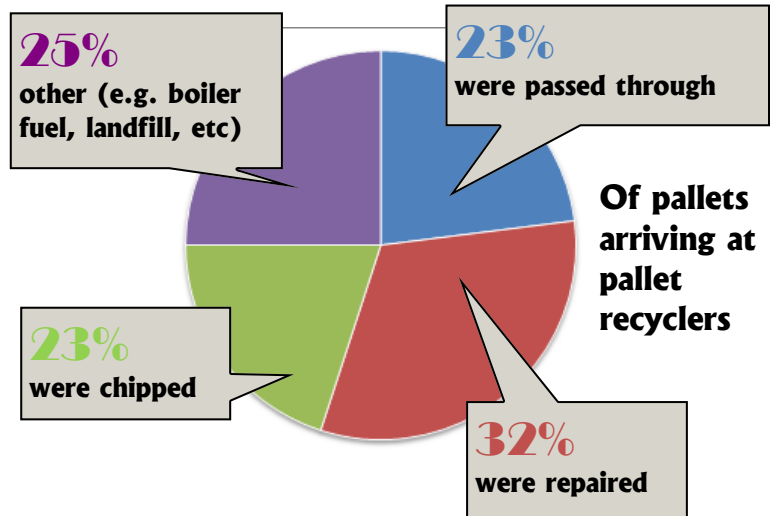
is still the most predominant size of pallets followed by:

- 40" x 48"
- 45" x 48"
- 24" x 40"

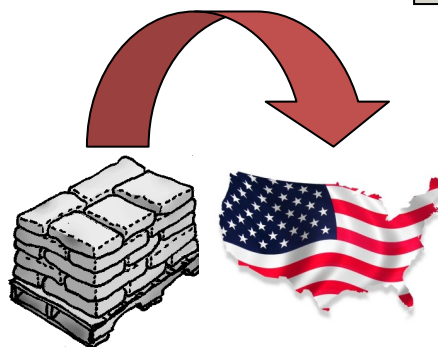
% of lumber purchased from certified sustainable forests



Note: This reflects lumber availability in the market, not necessarily demand. Only as good as the accuracy of the reporting.



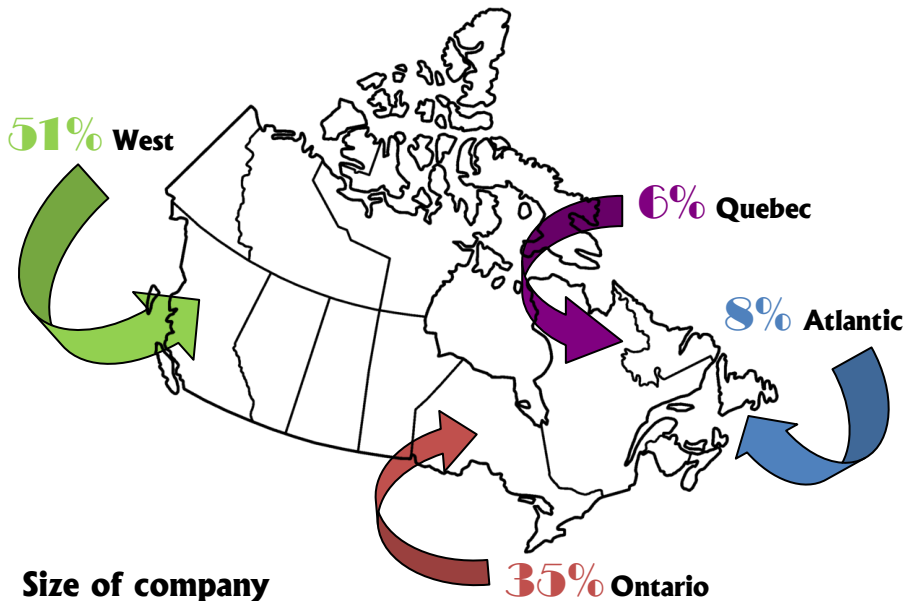
Of pallets arriving at pallet recyclers



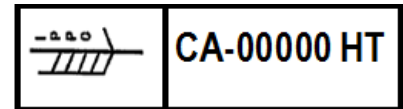
51% of wood packaging shipped to the US was marked ISPM-15 certified



Where does the data come from?



100% of respondents were registered in the HT Program



Total annual sales in 2016:

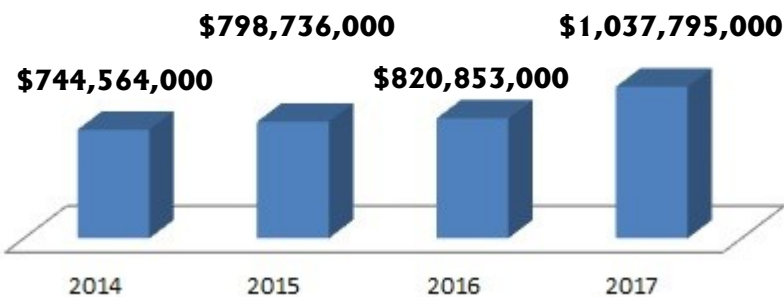
Less than \$250,000	18%
\$250,000 - \$500,000	14%
\$500,000 - \$1,000,000	14%
\$1,000,000 - \$5,000,000	40%
More than \$5,000,000	14%

Size of company

1-10 employees	26%	21-30 employees	0%	41-50 employees	24%
11-20 employees	29%	31-40 employees	5%	51 or more employees	16%

Industry Statistics

Over \$1 billion in sales in 2017!



Sale of goods manufactured for wood container and pallet manufacturing (NAICS 32192)

Source: Statistics Canada



Top 10 US states importing Canadian wood packaging (NAICS 32192)

1. California
2. Michigan
3. Ohio
4. Connecticut
5. Washington
6. New York
7. Texas
8. Iowa
9. Illinois
10. Pennsylvania

Governance

Board of Directors 2017-2018

JASON WHEELER - **PRESIDENT**
HERWOOD INC.

Sukhi Brar - **VICE-PRESIDENT**
ADVANCE PALLET & CRATE

Rob Anderson - **TREASURER**
ST. BONIFACE PALLET COMPANY LTD.

Ryan Scobie - **PAST-PRESIDENT**
WOODBIDGE PALLET

Martin Boutet
LCN Inc.

Herman Long
SCOTIA PALLET & BOX

Sean Meston
CALGARY PALLET

Paul Simpson
PALLET RENEW INC.

Marco Turcotte
GROUPE SAVOIE INC.

David Uppal
PIONEER PALLET & LUMBER LTD

Fred Vrugteveen
NIAGARA PALLET & RECYCLERS

Henry Wall, Jr.
H & H WOOD PRODUCTS

Associate Directors

Joe Carbone
STANLEY BLACK & DECKER

Vincent Piche
CANADIAN WOOD PRODUCTS

Vic Ulgiati
WESTON FOREST PRODUCTS INC.

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.
ADVANCE LUMBER REMANUFACTURING
AFT SAWMILL LIMITED
ALBERTA PALLET CO
ALEX PALLET
ALL FAB PALLETS
ALLIN CABLE REELS - DIV. OF J. HAMELIN
ALPA LUMBER MILLS INC
BAM PALLETS
BARCO MATERIALS HANDLING.
BLUEWATER PALLET INC.
BOWMANVILLE WOOD PRODUCTS INC.
BOXER BUILDING & CRATING LTD.
BRAMPTON PALLET
BRIDGEWATER METAL INDUSTRIES
BUTLER & BAIRD LTD.
CAISSES & PALETES CERTIFIEES DU QUEBEC
CALGARY PALLET LTD.
CAN-CRATE INDUSTRIES LTD.
CHALLENGER PALLET LTD.
CHEP CANADA
CHRYSALIS WOOD AND PLASTICS LTD.
CITY PALLETS INC.
CRATEX INDUSTRIES LTD.
CRE-O-PACK PACKAGING INTL INC.
CUSTOM CRATING LTD.
DAVID McNABB PALLET MFG. INC.
DOMINION PALLET & CRATE LTD.
DURHAM PALLET SERVICES
EASTERN ONTARIO PALLETS LTD
EMBALLAGE MONTREAL EXPRESS
ENVIRO PALLET RECOVERY BUY & SELL LTD.
FOUR-PACK (9146-3232 QC Inc)
G.L. WOOD PRODUCTS
GALAXY PALLETS (1998) INC.
GROUPE SAVOIE INC.
H & H WOOD PRODUCTS INC.
HAMILTON X PACKAGING & PALLETS
HERRGOTT INDUSTRIES LTD.
HERWOOD INC.
HILLHURST PALLETS LTD.
HOOVER SAWMILL & PALLET INC.
HUPACO WOOD PRODUCTS LTD.
IROQUOIS ENTERPRISES
IVOR FOREST PRODUCTS LTD.
J & M PALLET
J & R PALLET RECYCLING LTD.
J. HAMELIN INDUSTRIES
JAMES MARTIN
K & V PALLETS INC.
KEYCO PACKAGING INC.
KINGS WOOD PRODUCTS
L E WOOD MANUFACTURING & LUMBER SALES
L.H. PLANTE ET FILS INC.
LCN PALLETS & CONTAINERS
LES PALETES BB INC.
MAGNUM PACKAGING INDUSTRIES
MAYFAIR LUMBER SALES
MICHIGAN PALLET RECYCLING INC.
MOEN LUMBER SALES LTD.
MOORE PACKAGING SYSTEMS
MURDOCK MACKAY LTD.
NEFAB INC.
NIAGARA PALLET & RECYCLERS LTD.
NORTH AMERICAN CRATING INC.
NORTH STAR PALLETS INC.
OLYMPIC FOREST PRODUCTS CO.
ONGWEOWEH CORPORATION
ORILLIA WOODWORKING INC.
OXFORD PALLET & RECYCLERS LTD.
PACIFIC PALLET LTD
PALLET MANAGEMENT GROUP
PALLET RENEW INC.
PALLETS AND MORE, INC.
PARAMOUNT PALLET, LP.
PECO PALLET
PETE'S PALLET MANUFACTURING
PIONEER PALLET & LUMBER LTD.
PRECISION WOOD PRODUCTS
PROWEST SHIPPING & PACKAGING LTD.
QUINN & QUINN INC.
R.J. DUNGEY & SONS LTD.
RANGER ENTERPRISES
RESTON PKGING SOLUTIONS (1754147 ONT INC
RIVER CITY REMANUFACTURING
ROY'S WOOD SHOP LTD.
S & B PALLETS LTD.
SASKATOON PALLET LTD.
SCOTIA PALLETS LTD.
SEA AIR INTERNATIONAL
SEA-CAN CONTAINERS
SHUR-WAY INDUSTRIES (2010) INC.

SOUTHEAST PALLET & WOOD PRODUCTS	BOLDUC EQUIPEMENTS INDUSTRIELS INC.	PALLET MACHINERY GROUP
SPRING HILL PALLET INC.	BPWOOD	PENDU MANUFACTURING INC.
ST. BONIFACE PALLET CO.	BRAMWOOD FOREST INC.	PRS GROUP
STELLAP PALLETS (1586-720 ONT. INC)	CANADIAN WOOD PRODUCTS	REMBOS INC.
THAYER LUMBER CO. INC.	CENTURION LUMBER LTD.	RESSOURCES LUMBER
THOMCO PALLET & BOX (IROQUOIS EN- TERPRISES)	CORALI - USA	ROTOCHOPPER
THULIUM LTD.-THULIUM FARM	CORE CANADA SOLUTIONS INC., DIV. SHAW SABEY & ASSOC.	SHUR-FAST FASTENERS INC.
TOLKO INDUSTRIES LTD.	DIRECT TIMBER INC.	SILVARIS/LOW GRADE LUMBER
TOPAX EXPORT PACKAGING SYSTEMS	DOUGLAS G. HUNTER INC.	SPEC WOOD
TOPCO PALLET RECYCLING LTD.	DV HARDWOODS	STANLEY BLACK & DECKER
TOTAL PALLET SOLUTIONS INC.	FALCON LUMBER LTD.	STERLING MARKING PRODUCTS INC.
TRICAN PACKAGING INC.	IMH MACHINERY AB	T.L.B. PRODUITS FORESTIERS INC
UNITED PALLETS AND CRATES INC.	INDUSTRIAL RESOURCES	TALL TREE LUMBER CORP
VERBEEK PALLET SUPPLY CO. LTD.	INNOVATIVE DATA SYSTEMS, INC.	TAURUS CRACO MACHINERY INC.
WAINFLEET BOX & PALLET	INNOVATED CONTROL SYSTEMS	TOWNSEND LUMBER INC.
WILLOW BRAE CORPORATION	J.H. KEESO & SONS LTD.	TRANS CANADA STAMP
WINDSOR PALLET LTD.	LASADA INTERNATIONAL INC.	VIKING ENGINEERING
WOODBIDGE PALLET LTD.	MAXWOOD LUMBER LTD	WESTON FOREST PRODUCTS INC.
	McRAE MILLS	WOOD-MIZER CANADA

Associate Members

BENOIT & DIONNE FOREST PRODUCTS
 BISSETT FASTENERS
 BOIS BONSAI INC./BONSAI LUMBER

NICHOLSON & CATES LTD.
 NORTH AMERICAN FOREST PRODUCTS
 LTD.
 ONTARIO SAWDUST LTD.

Affiliate Members

CANADIAN WOOD WASTE RECYCLING
 BUSINESS GROUP
 TIMBER PRODUCTS INSPECTION, INC.