



**CWPCA
ACPCB**

2018

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.

2018 Staff

Scott Geffros, General Manager

Lori Devlin, Office Manager

Stephanie Poirier, Program Coordinator HT Program

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Message from Ottawa



Each year, as we prepare for the AGM, we get a chance to look back and reflect on the year that passed. It gives us a great opportunity to take stock of where we are, where we were, and where we are going. I, having now just completed my first year in the General Manager's role for the Association and the Program Manager's role for the HT Program inspections, look back at 2018 and take a certain amount of pride in the strides forward that we continued to make.

The CWPCA has undergone quite a transformation in the last ten years; it has really morphed into a much more "industry at large" focused organization than in the past. As we continue the evolution and maturing that we are experiencing we find ourselves growing stronger, and more influential. Our partnerships with other wood packaging associations has spawned the Global Wood Packaging Forum, a global think tank, if you will, that keeps its fingers on the pulse of the global trends that the industry is experiencing while also expanding our industry's voice. The growing global influence was certainly felt at last year's INTERPAL event that we co-hosted with the NWPCA, which drew record crowds and representatives from every continent to the three-day event in Minneapolis. Additionally, 2018 continued to see our relations with the NWPCA and WPA grow as we continued to build the Nature's Packaging initiative, and collaborated more through the Pallet Foundation. These partnerships are strong, and will continue to grow and help to shape and strengthen us.

From a domestic standpoint, our third-party auditor status with the CFIA has also led us to new heights. Successful management and administration of and VERY high industry participation in the HT Program has allowed us a place at a table that other wood packaging associations envy. Our role and status have allowed us to forge very strong ties with government and the lumber industry at large. We participate actively and are regularly consulted in the development and review of domestic phytosanitary programs. We are currently active in consultations and efforts to revisit the rules of the HT Program, and make them more wood packaging friendly, as well as address any of the lumber specific aspects of the program that may not be easily applied to our industry.

We are in a good place now, and it would appear that most importantly, our members agree. Once again, we can boast of an unprecedented run of high member retention rates and new member recruitment, meaning that the association has now grown in members for five consecutive years. Thank you to all of our members for your support!

I hope that the information that you will find contained in this report helps you understand some of what we are working on and gives you a snapshot of where the association and the industry is heading. We like to think that we are the voice for the industry in Canada but without your input and guidance, we cannot continue to target those issues and areas of concern. Please feel free to call me or email me at any time, as I always welcome your correspondence, suggestions and feedback. I would love to hear from you!

Cheers,

Scott

President's Message



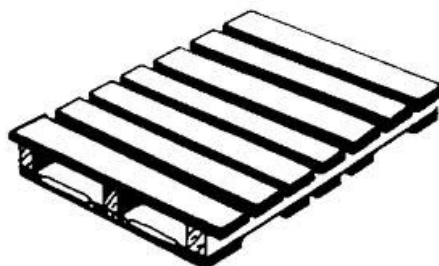
As my term as President comes to an end I would like to thank all the members for the support you have given me over the past two years. It has been a great experience that has taught me many new things as well as learning more in depth the work involved in the association and HT Program. It has been a big year for our staff and our inspectors in the HT Program, with CFIA audits of the office records and field audits with the inspectors at clients' facilities. Even though a lot has been done, more challenges and improvements are on the horizon.

It is important that we realize the role our Association has taken across Canada being the service provider on behalf of the CFIA for the inspection program. This position allows CWPCA a voice in communicating with industry and government on phytosanitary issues globally. Since CWPCA's purchase of the inspection services from Douglas Taylor & Associates the Association has taken on additional responsibilities of managing and training inspectors as well as managing the business itself. Thanks to a great manager and staff, the goal to provide these services at the lowest possible cost to our industry is continuing to be achieved.

Even though the inspection program is now a major part of CWPCA's daily operations, we have not forgotten our roots and continue to provide opportunities for our members to connect and learn.

Interpal 2018, held in Minneapolis, Minnesota, was huge success well attended by pallet people from around the world. I really enjoyed the tours, the networking, the vendor's booths, and getting a chance to meet face to face for the first time with people I already deal with from Europe. Due to the success of this event, CWPCA and NWPCA have decided to repeat joining forces in organizing the famous fall mill tour, normally an NWPCA only event. This year the fall tour will be taking place in Toronto, Ontario in October 2019. NWPCA and CWPCA combined activities are important for developing industry relations. These inter-association relations can sometimes aid in solving issues at higher levels, when we can present common industry level fact-supported solutions or suggestions from both sides of the border.

Thank you to Lori, Stephanie and Scott for your great work! Thank you again for this great experience and I look forward to joining hands with the next Board of Directors as Past President.



Message du Président

Mon temps comme président touchant à sa fin, j'aimerais profiter de cette occasion pour remercier tous nos membres pour leur soutien constant au cours de ces deux dernières années. Certes, ça a été une expérience très enrichissante qui m'a permis d'apprendre en profondeur le grand travail qu'implique être membre de notre association et du Programme TC. Ça a été une bonne année aussi pour notre personnel et nos inspecteurs au sein du Programme TC, avec des audits effectués par l'ACIA sur nos registres et des inspections sur place réalisées dans les établissements de nos clients. Pourtant, et malgré tous les progrès accomplis, de nouveaux défis et améliorations sont à prévoir.

Nous devons donc être capables d'apprécier le rôle majeur que notre Association a acquis au niveau national en tant que fournisseur de services d'inspection au nom de l'ACIA. Cette position donne à l'ACPCB une voix influente dans les discussions avec l'industrie et le gouvernement sur les questions phytosanitaires au niveau mondial. Depuis qu'elle a acheté les services d'inspection à Douglas Tayler & Associates, l'ACPCB a assumé de nouvelles responsabilités visant sur la gestion et la formation des inspecteurs ainsi que l'administration des activités du secteur. C'est grâce à un gestionnaire et des employés exceptionnels que le but de fournir ces services au moindre coût possible pour notre secteur est atteint jour après jour.

Bien que le programme d'inspections occupe désormais une place centrale dans les opérations quotidiennes de l'ACPCB, nous n'oublions pas nos buts originaux et continuons donc d'offrir à nos membres de nombreuses opportunités pour élargir leurs contacts et apprendre davantage.

À Minneapolis, Interpal 2018 a été une réussite complète, rassemblant un grand nombre de représentants du secteur des palettes venant des quatre coins du monde. J'ai particulièrement aimé les tours, le réseautage, les stands des fournisseurs et la possibilité de connaître en personne des assistants européens avec qui j'entretenais déjà des relations commerciales. En raison du succès obtenu, l'ACPCB et la NWPCA ont décidé d'organiser conjointement le célèbre Fall Mill Tour, normalement un événement exclusif de la NWPCA. Cette année, le Fall Tour aura lieu à Toronto, Ontario, au mois d'octobre 2019. Pour la NWPCA et l'ACMPC, réaliser des activités ensemble permet de cultiver des relations durables à l'intérieur de notre industrie. Et c'est justement ce genre de relations entre associations qui peut contribuer à résoudre des problèmes à un niveau supérieur, par exemple en présentant des solutions ou des recommandations communes fondées sur des faits et qui touchent à l'ensemble de l'industrie des deux côtés de la frontière.

Merci à Lori, Stéphanie et Scott pour votre excellent travail. Je vous remercie tous encore une fois pour cette expérience formidable et j'espère pouvoir collaborer avec le prochain conseil d'administration en tant que président sortant.



Highlights from 2018

Advocacy and Policy



CWPCA was featured in the National Post for National Tree Day. You can read more at: <https://bit.ly/2wm1oUn>



Scott was able to represent CWPCA at many important meetings over the year, including:

- NWPCA Annual Leadership Conference
- WPA Annual General Meeting
- Pallet tours and Annual General Meeting of the Association des manufacturiers de palettes et contenants du Québec
- Global Pallet Forum



Scott gave a presentation at Interpal on the state of the Canadian wood packaging industry, with a focus on pallet recycling.



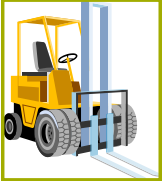
Scott attended the Canadian Wood Recycling Bioeconomy Workshop & Expo to learn about opportunities for our members in the area of wood waste.

Maintaining strong relationships with our sister associations is of paramount importance as it provides us with information and support.



CWPCA maintained its status as a registered lobbyist with the federal government, which allows us to react and approach policymakers when and if opportunities and challenges arise. For example, maintaining our position in the ongoing Softwood Lumber Agreement negotiations.

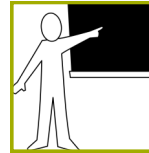
HT Program



We ended the year with a total of **453 Registered facilities**. Over the course of the year, we **gained 15 new** clients while **20 withdrew** from the program.



We had **12 inspectors**, covering all of Canada with the exception of PEI and the territories



Our **annual inspectors meeting** was held in Toronto in January 2018. We had two further webinar based training sessions.



Scott travelled to conduct **surveillance audits** with inspectors in NLFD, NS, QC, ON, AB, and BC for training and quality assurance.



CWPCA issued **11 Major non-conformances** and **65 minor non-conformances**



We completed a total of **1495 Inspections**



At the end of 2018 we implemented a new type of inspection for heat treatment facilities. Taking place once a year, we're evaluating the functioning of the kiln. This includes observing the loading of the kiln, verifying the probes, assessing airflow, and so on. Heat treatment represents the highest risk in ISPM 15 certification and we want to ensure that our registered facilities are operating at the highest level.

Pallet Foundation



Our President, Jason Wheeler, represented us at the Pallet Foundation meeting in Washington, DC.



The Pallet Foundation has taken over work on the Environmental Product Declaration



A study on the landfill avoidance showed that 95% of pallets in US are recycled. The press release was picked up by media and potentially reached over 81 million people.



A website for the Global Pallet Forum, which currently has representatives from Australia, South Africa, Malaysia, Brazil, EU, US, and Canada, was developed in 2018 and launched this year

Membership



We partnered with AFEX, who offers preferential treatment to CWPCA members on currency conversions and other services.



We launched a **Wage & Benefits Survey** to gather data on labour issues facing our members. Results from this survey can be found on page 10.



Canadianpallets.com had a total of **15,092 visits** in 2018, including **1,134 searches for suppliers**



We are extremely happy to report that 2018 saw a **99% renewal** of members.



Our **AGM** was held in Minneapolis, USA as part of **Interpal 2018**. This event turned out to be an incredible success, **attended by 600+** including **over 50 CWPCA members**. There were representatives from every continent except for Antarctica!



5 new members joined the Association in 2018, bringing our total to **110 manufacturing** members, **45 associate** members and **3 affiliate** members



We held our 22nd Scramble Golf Tournament and Dinner at the Eagle Ridge Golf Course in Georgetown, ON on June 21st. We were joined by **44 golfers**.



CWPCA resurrected the Strategic Planning Committee, with representation from three members. The purpose is to identify the goals for the association moving forward, providing recommendations to the Board of Directors, and ensuring that the goals and direction of the association are aligned with the needs of the industry



We added two new regular features to Bark Bits : Legislative Affairs, keeping members informed of proposed or upcoming legislation that could affect them, and Phytosanitary Corner, updates on ISPM 15 related news.

Nature's Packaging



The Nature's Packaging website added a tool that allows people to subscribe to the blog.



The Healthy Forests video was posted. You can view it here: <https://bit.ly/2qRUxi0>



5,445 total visits to
naturespackaging.org, made by
4,524 unique visitors

Regulatory Affairs



4 submissions were made to the Canadian Forestry Products Advisory Committee for policy reviews on:

- mark obliteration,
- reclaimed dunnage for use in HT packaging,
- load orientation in kilns
- core probe temperature monitoring in the heat treatment of wood packaging.



We held a **webinar on cannabis legalization** in partnership with, and given by the Cannabis Learning Series.



1 meeting with the Canadian Forest Phytosanitary Working Group



1 meeting with Canadian Forest Product Advisory Committee



CFIA began their new audit cycle of the HT Program service providers, conducting an audit of CWPCA headquarters in September, following trial audits with our inspectors. The latter served as training for CFIA auditors.

CWPCA 2018 Wage & Benefits Survey

The survey was conducted in 2018 but consists of data for 2017. While the survey results are anecdotal and this cannot be considered a scientific survey, it still produced some interesting information. Here are some examples:

Top 4 HR Issues

How many of the respondents said they experience the following issues?



Automation

No facilities identifying as very automated listed retention as an issue

Temporary Foreign Workers Program

Respondents that used this program reported a lot of upfront work but said long term reward was worth it.

Lessons for retention

Of the companies that reported an average retention period of 3 years or more for production employees:

Diverse in terms of location (urban vs rural) and size

Average turnover was **18%**

Comparable in terms of wages and salaries, meaning there's more to retention than \$\$

Here's what these companies offered:

77% offer health benefits

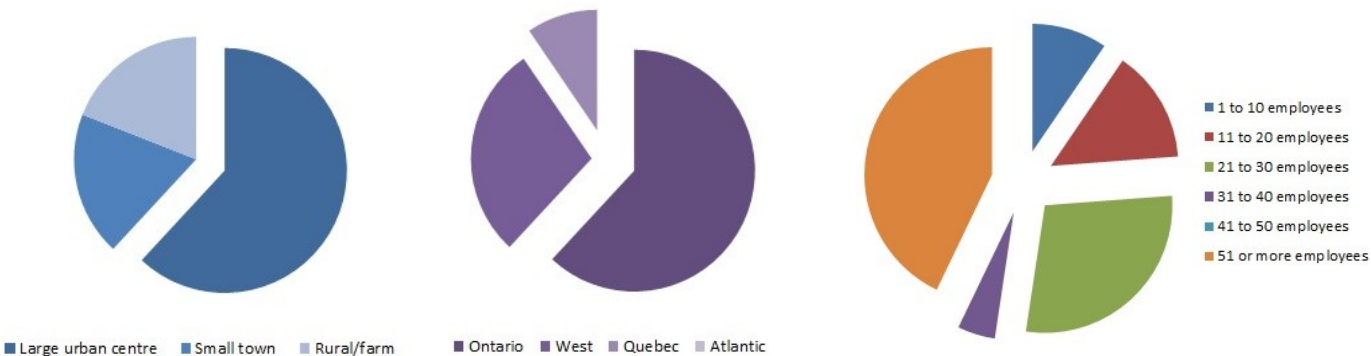
38% offer individual production bonuses

38% contribute to employee pension

46% provide additional vacation

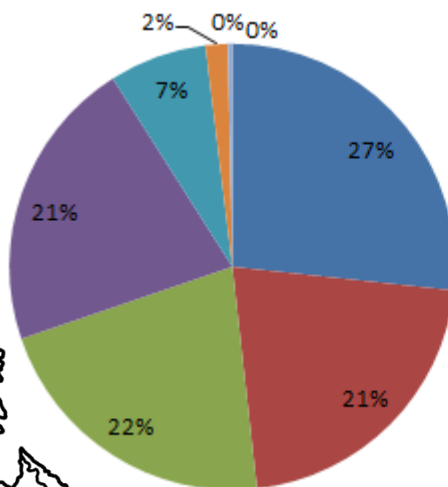
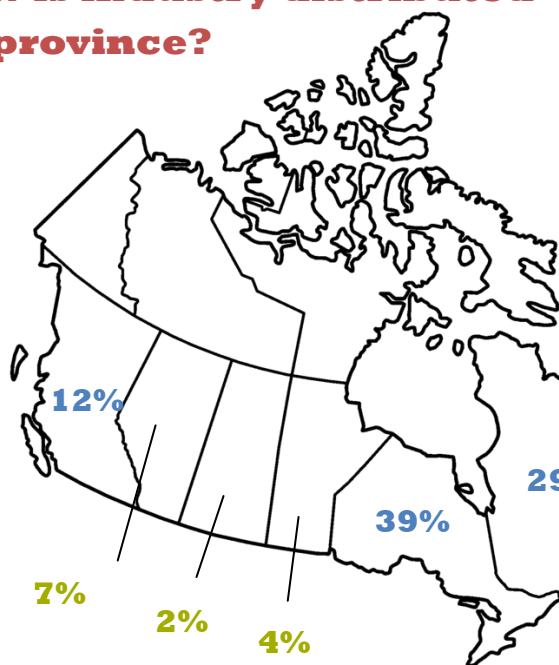
Other benefits include: \$3,000 average year end bonus, safety awards in the form of gift cards every 60 days, health care spending account

Who answered survey



Industry Statistics

How is industry distributed by province?



- 1-4 employees
- 5-9 employees
- 10-19 employees
- 20-49 employees
- 50-99 employees
- 100-199 employees
- 200-499 employees
- 500+ employees

\$969,291,000
in sales
including
\$140,746,613
in exports



California	\$36,252,301
Michigan	\$20,228,651
Ohio	\$12,167,537
Texas	\$8,206,176
Connecticut	\$7,717,413
Washington	\$6,723,773
Illinois	\$4,437,508
New York	\$4,263,838
Indiana	\$2,997,769
New Jersey	\$2,684,351

1. United States \$135,400,531	2. Italy \$685,539
3. United Kingdom \$518,482	4. Sweden \$439,556
5. Germany \$293,872	6. Austria \$237,217
7. China \$236,223	8. Norway \$215,027
9. France \$202,153	10. Spain \$195,037

Source: Statistics Canada

Governance

Board of Directors 2018-2019

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.