

[CLICK TO VIEW](#)

[Table of Contents 2](#)

[List of Tables & Charts 3](#)

[Study Overview 4](#)

[Sample Text, Table
& Chart 5](#)

[Sample Profile, Table &
Forecast 6](#)

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Pallets

US Industry Study with Forecasts for **2015 & 2020**

Study #2766 | May 2766 | \$4800 | 269 pages

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Table of Contents

EXECUTIVE SUMMARY

MARKET ENVIRONMENT

General	4
Macroeconomic Environment.....	5
Demographic Trends	9
Manufacturing Outlook.....	13
Durable Goods	17
Nondurable Goods	17
Warehousing Expenditures	18
Construction Expenditures	20
Historical Overview	23
Environmental Issues.....	26
Cross-Contamination Issues	27
Bacterial Contamination.....	27
Phytosanitary Contamination	28
Fungal Contamination.....	30
Other Sources of Contamination	31
Competitive Products.....	32
Pricing Trends	34
Lumber.....	35
Engineered Wood	37
Plastic.....	37
Metal	38
Corrugated Paper	39
Foreign Trade	39
World Market.....	42
Western Europe.....	43
Asia/Pacific.....	44
Other Regions.....	45

MATERIALS

General	47
Relationship Between Stock & Demand....	49
Pallet Life Spans	51
Wood	53
Lumber.....	55
New Pallets	57
Refurbished Pallets	58
Engineered Wood	59
New Pallets	61
Refurbished Pallets	62
Plastics	62
Demand by Type	64
HDPE	65
Other Resins	65
Demand by Source.....	67

New Resin.....	67
Reclaimed Resin	67
Metal	68
Steel.....	69
Aluminum.....	71
Corrugated Paper	71
Fasteners.....	73

PRODUCTS

General	77
Pallet Overview.....	78
Pallet Stock.....	81
Wood Pallets	84
Unit Terms	85
Value Terms.....	87
Lumber Pallets.....	90
Characteristics.....	92
Manufacturing	94
Types	96
Refurbished Pallets	98
Engineered Wood Pallets	99
Characteristics.....	101
Types	103
Refurbished Pallets	104
Corrugated Paper Pallets	105
Unit Terms	105
Value Terms.....	107
Characteristics.....	109
Plastic Pallets.....	111
Unit Terms	112
Value Terms.....	113
Characteristics.....	115
Manufacturing	117
Types	119
HDPE	119
Other Resins & HDPE/ Other Resin Blends.....	121
Metal Pallets	123
Unit Terms	123
Value Terms.....	125
Characteristics.....	126
Manufacturing	128
Types	129
Steel.....	129
Aluminum.....	131

MARKETS

General	133
---------------	-----

Manufacturing	136
Food & Beverages	137
Transportation Equipment.....	140
Chemicals	143
Metal Products.....	146
Machinery.....	147
Electronic Products.....	149
Other Manufacturing Markets	151
Warehousing	153
Construction	156
Other Markets.....	159

REGIONS

General	161
Regional Demographic/Economic Trends	162
Population Patterns.....	162
Economic Outlook	165
Manufacturing & Warehousing	
Value Added	167
Regional Demand for Pallets	171
Northeast	175
New England	177
Middle Atlantic.....	178
Midwest.....	179
East North Central.....	181
West North Central	181
South.....	182
South Atlantic.....	186
East South Central	187
West South Central.....	188
West	189
Mountain.....	192
Pacific.....	193

INDUSTRY STRUCTURE

Industry Composition	195
Manufacturers & Refurbishers.....	196
Pallet Management Specialists	200
Market Share	202
Wood Pallets	202
Other Pallets	203
Pallet Management Specialists	204
Competitive Strategies.....	205
Research & Development	208
Marketing	210
Distribution	212
Mergers & Acquisitions.....	214
Cooperative Agreements.....	216

(continued on following page)

Table of Contents

(continued from previous page)

COMPANY PROFILES

Airdex International	219
Allied Pallet	220
Associated Pallet	220
Battle Lumber	221
Botkin Lumber.....	222
Brambles Limited	223
Corrugated Pallets.....	226
Decade Products	227
Edwards Wood Products.....	228
Fabri-Form Corporation	229
Great Northern.....	230
Greystone Logistics	231
iGPS Company	232
Illinois Tool Works.....	234
Industrial Pallet.....	235
Kamps Incorporated	236
Litco International.....	237
LM Containers.....	238
MAUSER AG	239
Menasha Corporation	240
Millwood Incorporated	242
Myers Industries	244
PalletOne Incorporated	245
PDQ Plastics.....	246
PECO Pallet	247
Potomac Supply	248
Rehrig Pacific	249
Ross Skid Products	251
Rotonics Manufacturing	251
Schäfer (Fritz) GmbH	253
Schoeller Arca Systems	254
Snyder Industries	256
Sonoco Products	257
Sonoma Pacific	258
Southern Packaging.....	259
Southwest Forest Products.....	260
St. Mary's Box.....	261
Tasler Incorporated	262
TriEnda LLC	263
Wisconsin Pallets	264
WNC Pallet & Forest Products	265
Worthington Industries	266
Additional Companies Mentioned in Study	268

List of Tables/Charts

EXECUTIVE SUMMARY

1 Summary Table.....	3
----------------------	---

MARKET ENVIRONMENT

1 Macroeconomic Indicators	8
2 Population & Households.....	12
3 Manufacturers' Shipments	16
4 Warehousing & Storage Expenditures	20
5 Construction Expenditures	23
6 Pallet Demand, 2000-2010.....	25
7 Prices for Selected Pallet Types.....	35
8 Foreign Trade in Pallets.....	42

MATERIALS

1 Raw Material Demand in Pallets	48
Cht Raw Material Demand in Pallets in Value Terms, 2010	49
Cht Pallet Life Spans	53
2 Wood Demand in Pallets	54
3 Plastics Demand in Pallets	64
4 Metal Demand in Pallets	69
5 Corrugated Paper Demand in Pallets	73
6 Fastener Demand in Pallets	76

PRODUCTS

1 Pallet Overview	81
2 Pallet Stock.....	84
3 Wood Pallet Stock, Supply & Demand.....	87
4 Wood Pallet Value Demand.....	89
5 Lumber Pallet Stock & Demand	91
6 Engineered Wood Pallet Stock & Demand	101
7 Corrugated Paper Pallet Stock, Supply & Demand.....	107
8 Corrugated Paper Pallet Value Demand	109
9 Plastic Pallet Stock, Supply & Demand.....	113
10 Plastic Pallet Value Demand	115
11 HDPE Plastic Pallet Demand	121
12 Other Plastic Pallet Demand	123
13 Metal Pallet Stock, Supply & Demand.....	125

14 Metal Pallet Value Demand.....	126
15 Steel Pallet Demand.....	131
16 Aluminum Pallet Demand.....	132

MARKETS

1 Pallet Demand by Market	135
Cht Pallet Demand by Market, 2010	135
2 Manufacturing Demand for Pallets	137
3 Food & Beverage Market for Pallets	140
4 Transportation Equipment Market for Pallets.....	143
5 Chemicals Market for Pallets.....	145
6 Metal Products Market for Pallets	147
7 Machinery Market for Pallets	149
8 Electronic Products Market for Pallets.....	151
9 Other Manufacturing Markets for Pallets	153
10 Warehousing Demand for Pallets ...	156
11 Construction Demand for Pallets ...	158
12 Other Markets Pallet Demand.....	160

REGIONS

1 Population by Region.....	164
2 Gross Domestic Product by Region	167
3 Regional Manufacturing & Warehousing Value Added.....	170
4 Pallet Demand by Region	174
Cht Pallet Demand by Region, 2010	175
5 Northeast Pallet Demand	177
6 Midwest Pallet Demand	180
7 South Pallet Demand	185
8 West Pallet Demand	192

INDUSTRY STRUCTURE

1 Pallet Sales by Company, 2010	199
2 Selected Acquisitions & Divestitures	215
3 Selected Cooperative Agreements..	217

The dominant manufacturing market will be supported by continued recognition of the suitability of pallets as an inexpensive way of shipping and hauling goods while avoiding product damage.

US demand to rise 6.1% annually through 2015

US demand for pallets is forecast to rise 6.1 percent per year to 1.3 billion pallets in 2015, valued at \$15 billion. This pace will represent a dramatic turnaround from the 2005-2010 period, when demand fell to fewer than one billion pallets in response to a decline in manufacturing output between 2007 and 2009 and a partial rebound in 2010. Through 2015, demand gains will be driven by an expected advance in manufacturing from the low 2010 base.

Manufacturing to remain dominant market

Manufacturing will continue to account for the largest share of pallet demand, totaling 75 percent of the market in 2015. Demand will be supported by continued recognition of the suitability of pallets as an inexpensive way of shipping and hauling goods while avoiding product damage. Providers of warehousing services -- such as pallet management services and pallet pools -- will post 2.5 percent annual gains in pallet demand through 2015. These companies, which manage pallets and coordinate the shipping and handling of materials from original manufacturer to end user, will purchase new pallets and expand their pallet refurbishing operations to add to their pallet stocks and more effectively serve existing customers.

US Pallet Demand by Type, 2010 (967 million pallets)



New
39%

Refurbished
61%

photo: Warehousing World

Refurbished wood pallets to remain largest segment

Pallets made from wood -- primarily lumber -- will continue to account for nearly 95 percent of the US pallet market. Demand will be driven by the new pallet market, as manufacturers' shipments rebound and more pallets are needed to ship and haul products. However, refurbished wood pallets, which accounted for 65 percent of the wood pallet market in 2010, will continue to lead the market in 2015. Pallet refurbishing firms, which repair damaged and worn pallets, will see more demand for their services, as it is often more economical to repair an existing pallet than to purchase a new one. Environ-

mental concerns will also boost demand for refurbished pallets, as less wood is required to repair a pallet than to construct a new one.

Plastic pallet demand is projected to advance at a double-digit pace through 2015. Demand will be driven by consumer interest in the use of plastic pallets because of their performance qualities. Plastic pallets resist damage caused by wear and tear and can last a long time without requiring repair. They are resistant to contamination caused by bacteria and other pathogens, and can be cleaned easily. Plastic pallets are also seen as being environmentally friendly, as they can be recycled.

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Sample Text, Table & Chart

MATERIALS

Lumber

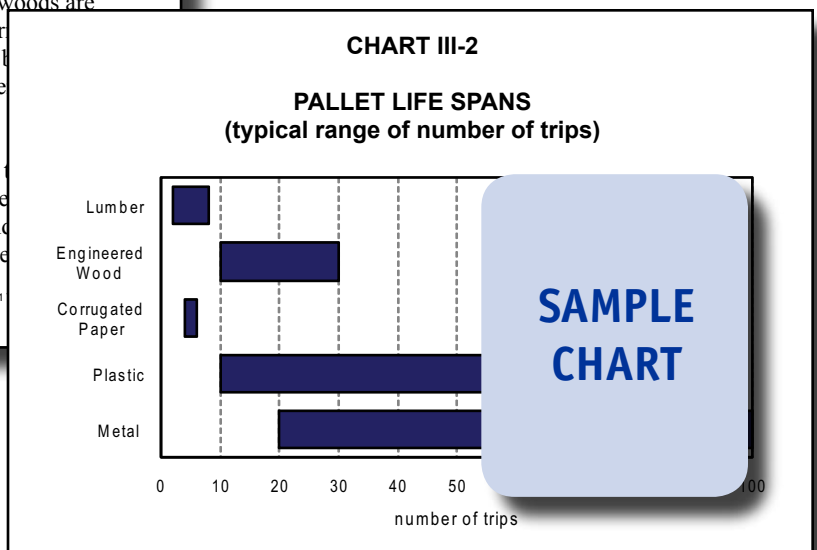
Demand for lumber by the US pallet industry is forecast to grow at a rate of 1.5 percent annually to 2015. Demand is linked to growth in the new lumber pallet materials. Lumber will be in demand because of its characteristics, such as durability and resistance, and handling. Lumber is even minimal workers using simple hand tools can assemble or repair lumber. This is an advantage in the pallet industry, which generally offers higher profit margins. More rapid growth in lumber demand will be due to increasing use of pallet repair and refurbishing services and rising plastic pallets demand.

Both hardwood and softwood lumber are used to make pallets. Hardwood lumber is the predominant lumber type, as hardwoods offer better performance qualities, such as the ability to withstand heavy loads and damages caused by wear and tear. Medium- and high-density hardwoods are generally preferred for use as pallet lumber. These wood types include eastern red and white oak; hickory; yellow and sweet birch; sugar, black and red maple; green and white ash; rock and slippery elm; beech; and dogwood. Medium- and high-density hardwoods are ideal for pallets, as they offer strength, stiffness and long-term durability. Low-density hardwoods, such as red alder, aspen, buckeye, cottonwood and catalpa, are also used as pallet lumber, depending on cost and availability.

Softwood lumber, especially those types that are equal in strength and stiffness, is also used to produce pallets. The varieties include Douglas and other firs, hemlock, spruce and the softwood varieties, Douglas fir and Southern yellow pine.

TABLE V-2
MANUFACTURING DEMAND FOR PALLETS
 (million pallets)

Item	2000	2005	2010	2015	2020
Manufacturers' Shipments (bil 2005\$)					
pallets/mil \$ mfg					
Manufacturing Pallet Demand					
Food & Beverage					
Transportation Equipment					
Chemicals					
Metal Products					
Electronic Products					
Machinery					
Other Manufacturing					
% manufacturing					
Pallet Demand					



Sample Profile, Table & Forecast

TABLE IV-9
PLASTIC PALLET STOCK, SUPPLY & DEMAND
 (million pallets)

Item	2000	2005	2010	2015	2020
Manufacturers' Shipments (bil 2005\$) 47 pallets/mil \$ mfg	47.0	47.0	47.0	47.0	47.0
Plastic Pallet Stock demand/stock	5.0	5.0	5.0	5.0	5.0
Plastic Pallet Demand					
HDPE					
Other Resins					
- net imports					
Plastic Pallet Shipments	10.5	13.0	16.5	20.5	25.0

**SAMPLE
TABLE**

COMPANY PROFILES

Fabri-Form Corporation
 200 South Friendship Drive
 New Concord, OH 43762
 740-826-5000
<http://www.fabri-form.com>

Annual Sales:
 Employment:
 Key Products:

**SAMPLE
PROFILE**

Fabri-Form Corporation is a leading manufacturer of transport packaging and precision components for the automotive and medical industries.

The Company is involved in the US pallet industry through the manufacture of plastic pallets for material handling applications in the grocery, automotive, industrial and medical markets. Fabri-Form's plastic pallets include nestable, conveyable, reinforced, mirror-image, one-time export and quarter-sized rackable types. A representative product is the Company's 40-inch-by-48-inch nestable grocery pallet, which offers space savings. The product, which is made from 100-percent recyclable high density polyethylene, can be used more than 100 times prior to replacement. Fabri-Form's nestable grocery pallet can handle a load of up to 2,000 pounds without deflection.

Fabri-Form also makes pallets and other products sold under the SOLUTIONS brand name. SOLUTIONS-branded products include STACKERBOARD stackable pallets, which are made from 100-percent recyclable high density polyethylene. These 40-inch-by-48-inch pallets feature nine-leg location pockets and recessed banding areas, and enable stable double- or triple-stacking of uneven, odd-shaped or lightweight products. STACKERBOARD pallets are utilized in the

"Demand for pallets in the Midwest is projected to rise 5.5 percent per year to 320 million pallets in 2015. Advances will be driven by the expected rebound in the region's manufacturing and warehousing value-added expenditures as the US economy recovers from the 2007-2009 recession. Such industries as automobile and aftermarket parts manufacturing, metal products, and industrial machinery will see growth, as consumer demand for automobiles, appliances and other products rises."
 --Section VI, pg. 179

OTHER STUDIES

World Bulk Packaging

World bulk packaging demand will rise 5.8 percent yearly through 2015. Advances will be driven by growth in manufacturing activity, especially in key end-use industries such as chemicals and pharmaceuticals, and food and beverages. China and the US -- the two largest markets -- will account for nearly half of all value gains. This study analyzes the \$42.3 billion world bulk packaging industry, with forecasts for 2015 and 2020 by type, material, market, world region and for 18 countries. The study also evaluates company market share and profiles industry players.
 #2764..... May 2011..... \$6100

Rigid Bulk Packaging

Demand for rigid bulk packaging in the US is projected to advance 4.3 percent annually through 2015. Material handling containers and RIBCs will be the fastest growing types. Drums will remain the largest segment, with growth accelerating based on rebound in chemical output. Durable goods markets will outpace the dominant nondurables segment. This study analyzes the \$5.4 billion US rigid bulk packaging industry, with forecasts for 2015 and 2020 by material, product and market. It also evaluates company market share and profiles industry players.
 #2737..... February 2011..... \$4900

Green Packaging

US demand for green packaging will rise 3.9 percent annually through 2014, outpacing growth in overall packaging demand. The fastest gains are anticipated for degradable packaging -- from a relatively small base -- and for plastic recycled content packaging. This study analyzes the \$34 billion US market for recycled content, reusable and degradable packaging, with forecasts for 2014 and 2019 by material, product and market. It also discusses source reduction and recycling activity, details industry structure and profiles industry competitors.
 #2721.....January 2011..... \$5100

World Protective Packaging

World demand for protective packaging will rise 7.8 percent per year through 2014. Advances will be stimulated by an upswing in manufacturing activity and the continued proliferation of Internet shopping. The US will remain the largest national market while China grows the fastest. This study analyzes the \$15.3 billion world protective packaging industry, with forecasts for 2014 and 2019 by product, material, function, market, world region and for 24 countries. It also evaluates company market share and profiles industry participants.
 #2651.....June 2010..... \$5800

Corrugated & Paperboard Boxes

US corrugated and paperboard box demand will rise 2.4 percent yearly through 2014. Gains will be driven in part by higher-value types with better graphics capabilities, including folding cartons and corrugated boxes. Internet-based shopping will also support box demand. Durable goods will be the fastest growing market. This study analyzes the \$32.3 billion US corrugated and paperboard box industry, with forecasts for 2014 and 2019 by material, product and market. It also evaluates company market share and profiles industry players.
 #2598..... March 2010..... \$4800

About The Freedonia Group

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