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Pallets

US Industry Study with Forecasts for **2017 & 2022**

Study #3033 | May 2013 | \$5100 | 309 pages

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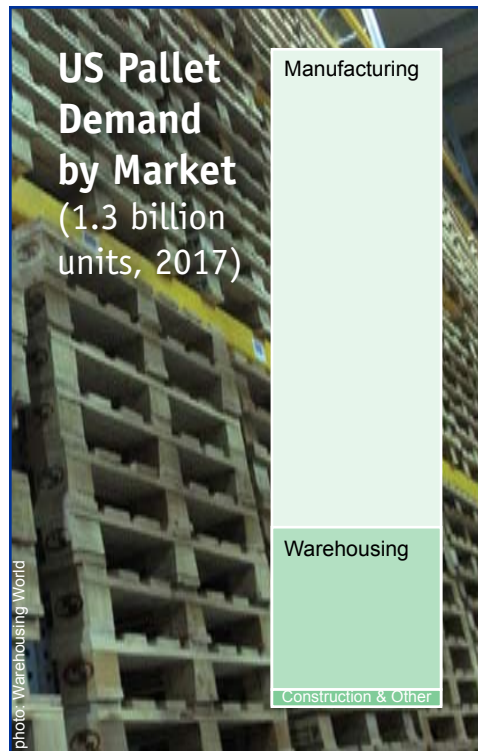
Pallet demand will outpace stock based on rising manufacturer's shipments, the need to replace aging refurbished units, and the replacement of stringer pallets with new block pallets.

US sales to grow 3.5% annually through 2017

Sales of new and refurbished pallets in the US are forecast to expand 3.5 percent per year through 2017 to 1.3 billion units, valued at \$16.9 billion. Pallet demand will climb faster than pallet stock for several reasons. First, rising manufacturers' shipments of goods will require producers to add to their existing stocks in order to have enough pallets on hand to handle higher output levels. Second, the 2007-2009 economic recession negatively impacted new lumber pallet demand because refurbished pallets were a lower-cost alternative for cash-strapped manufacturers. As a result, relatively few new pallets were purchased during the downturn, leaving owners unable to maintain stock quality. Going forward, a more favorable economic climate will induce companies to discard these aging refurbished units and purchase new ones, fueling stronger sales growth. Third, block pallets are expected to make up a larger share of the market total, and growing numbers of manufacturers will replace their existing stringer pallets with new block units.

A shift toward use of pallet management services to boost warehousing market

Increases in the dominant manufacturing pallet market will be fueled by a rebound in manufacturing output following a period of decline, and supported by a trend toward insourcing as labor costs



rise in developing countries and shipping costs continue to climb. Growth in warehousing pallet sales will moderate from gains posted during the 2007-2012 period because much of the shift toward use of third-party warehousing and storage services by manufacturers and distributors has already occurred. However, rising pallet requirements for pallet management service firms will provide some impetus to warehousing market gains through 2017. These service firms provide pallets to customers who as a result do not need to purchase and maintain their own. The use of pallet management services also allows customers to free up space that can be used for components and finished goods instead of pallets.

Metal, plastic pallets to outpace wood segment

Wood pallets are by far the most commonly used product type. Metal and plastic pallets, however, will register more impressive sales gains. Metal pallet demand will rise at the fastest pace of any product type through 2017 due to a large build-up in idle stocks during the 2007-2009 recession and the generally slow economic recovery that followed. Sales of metal pallets will advance rapidly from the low 2012 market base as idle stocks are eliminated and new units are purchased to bring the number of pallets available for use to required levels. Plastic pallets have seen the strongest advances in percentage terms historically, and they will continue to record above average stock and demand increases. Plastic pallets last for many years and are fully recyclable. Over 2022, increased use of metal and plastic pallets will reduce annual product demand requirements relative to stock, because of their much longer lifespans than wood pallets.

Study Coverage

This 309-page Freedonia industry study, **Pallets**, is priced at \$5100. It presents historical demand data (2002, 2007, 2012) and forecasts for 2017 and 2022 by pallet material, source, product, market, and US region. The study also considers market environment factors, evaluates company market share and profiles 40 industry competitors.

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Sample Text, Table & Chart

PRODUCTS

Pallet Stock

The size of the active US pallet stock is projected to increase by 1.1 percent per year to 2.6 billion units by 2022, representing a reversal of the trend from the 2000s. The number of pallets in use fell 1.1 percent annually from 2000 to 2009 because of a drop in manufacturing during that period because of a drop in manufacturing during the 2009 recession. As fewer goods were shipped, fewer pallets were used. As fewer goods were shipped, fewer pallets were used. As fewer goods were shipped, fewer pallets were used. As fewer goods were shipped, fewer pallets were used. As fewer goods were shipped, fewer pallets were used.

SAMPLE TEXT

Growth in the overall pallet stock through 2017 will be driven by a stronger economic environment and rising manufacturers' shipments. As more goods are shipped, more pallets will be required to transport them. Pallet end users will not only continue to refresh their existing stocks, but will have to purchase new pallets to ship larger quantities of goods. This will lead to modest increases in demand as a percentage of total stock through 2017. Expansions in the number of pallets in use during this period will be tempered to a certain extent by producer efforts to utilize pallets more efficiently, limiting the overall number of pallets required.

Pallets can be reused multiple times if they are not damaged or distressed, and thus kept as part of stock in use. Lumber and wood pallets can be repaired in-house or by a refurbishment company if they are damaged, and then returned to their owners or sold to other users.

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TABLE VI-3

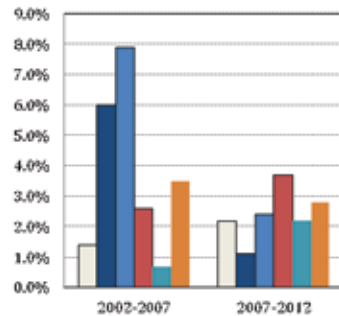
MANUFACTURING & WAREHOUSING VALUE-ADDED BY REGION (billion 2005 dollars)

Item	2002	2007	2012	2017	2022
Mftg & Warehousing Value-Added					
Northeast:					
New England					
Middle Atlantic					
Midwest:					
East North Central					
West North Central					
South:					
South Atlantic					
East South Central					
West South Central					
West:					
Mountain					
Pacific					

SAMPLE TABLE

CHART II-1

PALLET PRICING TRENDS, 2002-2022 (annual % change)



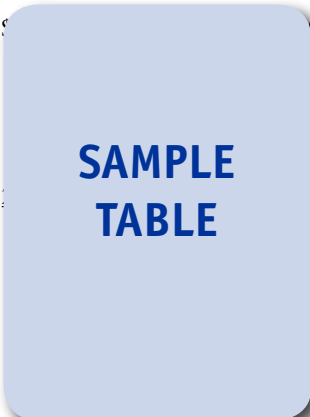
SAMPLE CHART

Source: The Freedonia Group, Inc.

Sample Profile, Table & Forecast

TABLE V-4
FOOD & BEVERAGE MARKET FOR PALLETS
 (million units)

Item	2002	2007	2012	2017	2022
Food & Beverage Shipments (bil 2005\$)					
pallets/mil \$ food & beverages 691					
Food & Beverage Mfg Pallet Stock demand/stock					
Food & Beverage Mfg Pallet Demand					
Wood					
Plastic					
Corrugated Paper					
Metal					
% food & beverages Manufacturing Pallet Demand					



COMPANY PROFILES

LM Containers LLC
 1503 Harry S. Truman Boulevard
 Caruthersville, MO 63830
 573-333-
 http://w

Annual S
 Employ
 Key Pro

SAMPLE PROFILE

LM Containers LLC, a subsidiary of Rewind Otd LLC, is a producer of aluminum panels and containers. The privately held company serves the food, pharmaceutical, synthetic rubber, automotive, aerospace, electronics, military, government, and other markets. LM Containers conducts manufacturing operations at its headquarters site in Caruthersville, Missouri.

The Company's aluminum pallets comprise standard and custom types that are recyclable, durable, fireproof, and lightweight. These pallets are usually used in meat and food processing, and pharmaceutical applications. For the meat and food processing market, LM Containers manufactures pallets with smooth surfaces that help prevent bacterial contamination. The Company's aluminum pallets for pharmaceutical end uses are designed to provide safe and hygienic handling of drugs, vitamins, nutritional supplements, medical devices, cosmetics, and other goods. These pallets feature nonskid decking and an anodized finish that protects against mold and bacteria. Additionally, LM Containers manufactures heavy duty aluminum pallets used in industrial and specialty applications. These pallets are suitable for use with heavy fork trucks and feature two- or four-way forklift access points.

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"As with lumber pallets, the decision to fix or scrap engineered wood pallets depends on the degree of damage suffered by the pallet. Because engineered wood pallets cost significantly more than lumber pallets, they are seen as more of an investment, and thus are more likely to be repaired than lumber pallets. Some engineered wood pallets are repaired in a manner similar to that of lumber pallets, with damaged deckboards replaced with new or sourced boards. Those with one-piece decks must either be repaired using wood glue or scrapped."
 --Section III, pg. 70

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OTHER STUDIES

Protective Packaging

US protective packaging demand is projected to increase 4.5 percent per year to \$6.4 billion in 2018. E-commerce fulfillment will drive gains for protective mailers, air pillows and bubble packaging. Insulated shipping containers will benefit from temperature-sensitive pharmaceutical handling requirements and storage temperature requirements. This study analyzes the \$5.1 billion US protective packaging industry, with forecasts for 2018 and 2023 by function, market and product. The study also evaluates company market share and profiles industry players.

#3142 March 2014..... \$5300

World Pallets

Global sales of pallets are projected to climb 5.0 percent annually through 2017 to 5.1 billion units. The Asia/Pacific region will be the fastest growing market and will surpass North America as the largest. Plastic pallets will grow the fastest based on their cleanability and recyclability, while wood pallets will remain dominant based on their low cost. This study analyzes the four billion unit global pallet industry, with forecasts for 2017 and 2022 by product, market, world region, and for 25 countries. The study also evaluates company market share and profiles industry players.

#3126 February 2014..... \$6100

World Packaging Machinery

Growth in worldwide demand for packaging machinery is expected to climb at a 4.6 percent annual pace through 2017 to \$41.8 billion. Machines used in the packaging of chemicals, pharmaceuticals, and personal care products will post the most rapid gains. The Asia/Pacific region will remain the fastest growing market. This study analyzes the \$33.4 billion world packaging machinery industry, with forecasts for 2017 and 2022 by product, market, world region, and for 31 countries. The study also evaluates company market share and profiles industry players.

#3063 September 2013..... \$6200

World Corrugated Boxes

World corrugated box demand will rise 4.2 percent yearly to 234 billion square meters in 2017. The fastest growth will occur in developing areas, especially in the Asia/Pacific and Africa/Mideast regions. Food and beverages will remain the leading market while the nonfood nondurables segment will grow the fastest. This study analyzes the 190.7 billion square meter world box industry, with forecasts for 2017 and 2022 by raw material, market, world region and for 27 major countries. The study also evaluates company market share and profiles industry players.

#3042 July 2013..... \$6100

Food Containers: Rigid & Flexible

US food container demand will rise 2.9 percent per year to \$27.6 billion in 2017. The plastic container, and bag and pouch segments will grow the fastest based on further inroads into paperboard, metal, and glass containers. The best market prospects include snack foods, sauces and condiments, dairy products, and meat and related products. This study analyzes the \$24 billion US rigid and flexible food container industry, with forecasts for 2017 and 2022 by type and market. The study also evaluates company market share and profiles industry players.

#3013 April 2013 \$5300

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