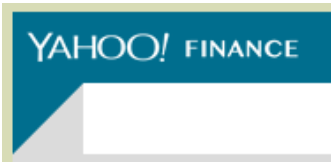




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US Pallet Market
NEW YORK, Sept. 7, 2015 --
US pallet stock to reach 2.6 billion units by 2019

The total number of pallets in use in the US will increase 1.9 percent annually through 2019 to 2.6 billion units, supported by gains in US manufacturing and warehousing activity. Demand for pallets is forecast to expand 1.7 percent per year through 2019 to 1.4 billion units. When production activity and shipments fell during the 2007-2009 economic recession, pallet users had a significant number of pallets sitting idle and opted to utilize the pallets on hand to satisfy product handling requirements, purchasing pallets only when absolutely necessary. This lowered the overall quality of pallet stocks, as pallets were not repaired or replaced at normal intervals. When the economy recovered, users began to replace these pallets in disrepair with new units, resulting in pallet demand gains of nearly nine percent per annum between 2009 and 2014.

Wood to remain dominant pallet material

Wood will remain the most widely used material, comprising 84 percent of total pallet stocks in 2019 and 93 percent of the sales in unit terms. Wood strikes a balance between low cost and high durability and is suitable for use in most applications. However, because wood already accounts for such a large share of the total pallet market, opportunities for additional growth will be limited through 2019. On the other hand, materials such as plastic and metal, which account for substantially smaller shares of pallet unit demand, will record stronger market gains. Plastic is becoming particularly important in the food and beverage and pharmaceutical industries because of its resistance to biological and fungal infestation.

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