

# PALLET ENTERPRISE

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## AWMV LT300 Sawmill Helps Jennings County Pallets Mill Own Pallet Stock and Maximize Raw Lumber.

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### Wood-Mizer ProSeries blade sharpening system supports sawmill operation.



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## Jennings County Pallets, Inc. A “Cutting Edge” Approach Overcomes Market Challenges

By Jack Petree and Maya Brewer

Assessing challenges, anticipating opportunities, and implementing pro-active measures makes success possible for companies like Jennings County Pallets, Inc. This 25-year-old manufacturing firm, located in Butlerville, Indiana, is one of the largest pallet manufacturers in the tri-state area of Indiana, Kentucky and Ohio. This full-service supplier offers many customized products, such as recycled pallets, remanufactured pallets, new pallets, pre-cut lumber, crates, and sticks/posts.

Firm owners, Rolla and Linda Millspaugh, believe that success has been possible because Jennings County Pallets focuses continuously on the climate of the industry. They believe not only in assessing the challenges and the opportunities for the future of their industry, but also acting in advance to overcome those challenges and to optimize those opportunities. In a recent interview, Rolla pointed to his company's investment in the thin kerf sawmill system created by AWMV Industrial Products as one example of his company's innovative techniques. Rolla noted that he embraces change in order to thrive both in challenging times as well as during times of economic growth.

Even Jennings County Pallets was birthed as a result of Rolla's foresight within the transportation industry. More than 25 years ago, Rolla operated his personal truck as an owner/operator hauling parts for IBM, Xerox, and 3M in the California marketplace. According to Rolla, labor was cheap and pallets were mostly used in handling heavy loads that could neither be loaded nor unloaded by hand. Over time, he noticed increasing use of palletized shipments for even lightweight products as manufacturers looked for ways to address ever-rising



*The Jennings County Pallets management team (left to right) Steve, Lindsey, Linda and Rolla Millspaugh provide new and recycled pallets to customers throughout Indiana, Ohio and Kentucky.*



*Steve (l) and Rolla (r) Millspaugh say their AWMV Industrial Products LT300 has allowed Jennings County Pallets to reduce materials costs by as much as 40% and labor costs by 25%.*

labor costs. Believing the pallet industry would become a strong growth sector, Rolla implemented steps to become a part of the industry's future; hence Millspaugh Lumber had its humble beginnings.

In 1984, in a detached garage behind the family home, in the southeast Indiana town of Butlerville, the lumber mill began supplying lumber for pallet plants in the region. Before long, the company began to manufacture pallets and, eventually, a nearby pallet plant was purchased. Continued growth, driven by the expansion of the pallet sector Rolla had predicted, plus the company's ideal location, nearly an hour's drive from three large markets, Cincinnati, Louisville, and Indianapolis, allowed the company to prosper.

Today, Jennings County Pallets maintains a production capacity for new pallets of approximately 10,000 units per week. However, the firm currently produces roughly 7,500 units per week and employs 20 people. The pallets are distributed to customers throughout the firm's market area using Jennings County Pallets' own fleet of three tractors and 25 trailers. The company also supports its customers with its pallet recycling and repairing capacity. The recycling operation is centered around three Smart Products 52" dismantlers. Recovered lumber is utilized in both the reconstruction and repair of pallets.

Jennings County Pallets is maintained as a family-run operation. Both Rolla and Linda continue to work at the plant with their son, Steve, who is increasingly



*According to Rolla the 15 – 20 hours per week Lindsey spends operating the firm's sharpening and tooth setting equipment, "Reduces our blade costs by as much as 75%," over sending blades out to be sharpened.*

managing the day-to-day plant operations, as well as handling sales. Daughter-in-law Lindsey, who shares administrative responsibilities with Linda, is in charge of the company's filing room.

According to Rolla, Jennings County Pallets has been as challenged by the recent national economic downturn as any other company. But, he says, the company has managed to prosper because of its complete makeover in obtaining the raw materials needed to construct new pallets.

"Over time," Rolla explained, "We had come to rely mostly on cut stock for our pallets rather than milling our own lumber. With the downturn we found ourselves struggling to be both competi-

tive and profitable. We thought we had to do something to improve margins. We saw AWMV's thin kerf sawmill technology and believed it represented a revolution in our industry. Looking ahead to the future of our business, we thought the technology might be the key to controlling costs without sacrificing quality. Installed in our plant, it has proven to be all that and more."

"Our Wood-Mizer/AWMV thin kerf set up with a headsaw, edger and resaw meets our original goal of doubling, and sometimes tripling, the board feet of lumber we get for every dollar spent on raw material," Rolla continued. "Overall I estimate we are saving 35 – 40% on raw materials and 25% on labor costs since we installed the system. That represents a radical difference in our ability to serve our customers with a high quality product while still maintaining our competitiveness and a reasonable bottom line."

There were several factors that Rolla considered in his selection of the AWMV sawmill.

Because Jennings County Pallets had already been using the Wood-Mizer thin kerf Multihead technology to resaw lumber, Rolla knew the proven effectiveness, durability and efficiency that would afford him in purchasing the AWMV sawmill. Wood-Mizer itself, Rolla recounted, had always been responsive when advice or parts were required. Upon further investigation,



*Pallet disassembly for recycling is accomplished using a Smart Products 52" dismantling machine.*



*An AWMV E430 Board Edger modified to fit Jennings County Pallets system edges and splits boards off the sawmill to the precise widths required in the pallet assembly operation.*

Rolla found the complete sawmill system could be installed for a fraction the cost of more conventional systems. He also discovered that it also could be operated as a production sawmill with minimal workforce training, and, most importantly, it could be installed in a compact space as part of the pallet mill's production chain. Jennings County Pallet has just 23,000 square feet under cover. The entire sawmill, the resaw line and the two Viking Champion 303s Jennings County uses for assembly could coexist in the space with room left over to tuck the recycle operation into the building and off to the side.

Jennings County Pallets is a model of production efficiency. A log, delivered to the company's 6 acre site, can be milled down to lumber, assembled into a pallet, and stacked into a container to be heat treated in less than an hour if necessary. Logs are delivered to the plant by independent contractors, where they are then merchandised and delivered to the assembly plant using one of the company's fleet of materials handling machines. The fleet consists mostly of Caterpillar and Atlas/Coyote four wheel articulating loaders.

When needed, logs are loaded onto a deck and forwarded to the bed of the AWMV LT300 Headrig for primary breakdown.

The LT300 is a very thin kerf sawmill,

similar to those shown by Forest Service studies over the past several years to provide as much as 30% more pallet lumber from a set amount of logs than conventional sawmills can produce. More pallet lumber means a greater reduction in costs.

"Every extra board we can get from a log contributes to reducing (those) costs," stated Rolla as he expressed his reason for Jennings County Pallets milling its own lumber. And for further efficiency, the boards are generally milled to some multiple of the size desired, then resawn later in the process.

Once milled, lumber is forwarded straight from the saw to an AWMV E430 board edger modified for the Jennings County plant to run six fixed blades. The boards, now sized for width and thickness advance to an Industrial Machines cut off saw to be cut to length. Deck boards are forwarded to an AWMV/Wood-Mizer Multihead resaw system for final reduction, while stringers are notched using an old notching machine of indeterminate vintage, and then passed on to the Multihead resaws. The entire process, log to finished lumber, may only take ten to fifteen minutes. Stacked lumber is then forwarded to one of two Viking Champion 303 pallet assembly machines utilized by the company to construct pallets.

"We really like these machines," Rolla

commented. "We have found they are fast and efficient and less likely to get clogged up. That means the machines can handle recycled lumber as well as new lumber."

From the Vikings, pallets are forwarded to heat chambers designed by Rolla himself to assure efficiency and accuracy. Then, once treated and stamped, the pallets are loaded onto one of Jennings County Pallets' 25 trailers, which are ready to be hauled by one of the three tractor rigs the company owns. The company has on-staff drivers and both, Rolla and Steve, are CDL – class A licensed.

The sawmill operation is supported by an advanced Wood-Mizer ProSeries blade sharpening system which is managed and operated by Lindsey Millsbaugh.

"Our goal with our entire thin kerf set-up was to be as efficient as possible," Rolla says. "Everyone on the shop floor already had a job to do. Linda and Lindsey share responsibilities in the office...so Lindsey works 15 – 20 hours per week sharpening our blades. Her contributions to the efficiency of our operation are significant. I think everyone owning a mill like ours should invest in a sharpening system like this. Lindsey has reduced our blade costs by as much as 75%. These machines save us a fortune versus paying someone else for the service and the shipping."

Rolla pointed out that pallet manufacturers must be cost competitive whether economic times are prosperous or foreboding.

"This is a new kind of technology, and it has made a huge difference for us," he said. "We have been able to do well in some tough times because of this equipment and we expect it will allow us to be even more competitive once the economy turns around."

Maintaining that competitive edge in the pallet market industry is important to Rolla because he's already thinking about the future opportunity of passing their family business onto the next generation of Millsbaughs. The effect of implementing high quality equipment and technology such as AWMV Industrial Product's thin kerf sawmill system ensures that Jennings County Pallets, Inc. may be passed on for many generations to come.

