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California's Pallet Squeeze: What Record Port Volume Actually Means For Your Supply

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If you've had trouble getting pallets in Southern California lately, it's not your supplier being difficult. It's math. The Port of Los Angeles just logged its busiest June in the port's 118-year history — over 1 million container units in a single month, the third time in the port's history that's ever happened. Every one of those containers eventually needs pallets to move, store, and ship whatever's inside it. That's the actual story behind the shortage you're feeling, and understanding the mechanism is what lets you plan around it instead of just absorbing it.

The Numbers Behind It

The Port of LA's own July release confirms the scale: June cargo ran 12% higher than the same month last year, loaded imports were up 13% year-over-year, and the first half of 2026 is already running 3% ahead of last year's pace. Executive Director Gene Seroka credited it partly to businesses moving cargo opportunistically — shipping whenever conditions are favorable rather than sticking to the traditional seasonal calendar most supply chains were built around. That means the surge isn't a predictable spring or fall spike anymore. It's showing up whenever shippers decide to move, which makes it harder to plan for than the shortages this industry is used to.

Why This Hits Recycled Pallets Specifically

New pallet production scales with lumber and labor. Recycled pallet production scales with something else entirely: the supply of used pallet “cores” coming back into the system from warehouses, retailers, and distribution centers. A recycler can have the labor, the equipment, and the production hours available and still not be able to build pallets, because there's nothing to rebuild them from.

That's the actual bottleneck right now. Import volume has surged, which means pallet demand downstream has surged with it — but the number of usable cores flowing back into the recycling stream hasn't kept pace. It's a straightforward supply-and-demand mismatch, just on the input side instead of the output side, and it's a harder one to fix quickly, because you can't manufacture your way out of a shortage of raw material you don't control the flow of.

Why Forecasting Alone Doesn't Fully Solve It

Good forecasting genuinely helps — it lets a supplier plan production and line up inventory in advance. But forecasting demand and controlling core supply are two different problems. A recycler can build a plan around your accurate, early forecast and still come up short if fewer cores show up than expected that week. That's not a planning failure. It's the nature of depending on a raw material stream you don't own or directly control.

What Actually Helps From Your Side

Pallets aren't going to be the headline of anyone's supply chain strategy. But a record-breaking port and a quiet shortage of used pallet cores are the same story right now — and the operations that see the connection early are the ones that end up planning around it instead of getting caught by it.