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# Why Single-Sourcing Your Pallets Is a Riskier Bet Than Ever

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Nobody thinks about pallets until something goes wrong. A shipment gets delayed, a price jumps out of nowhere, or someone upstairs asks why the pallet line is suddenly off budget. That used to be a fair way to run things, it was a manageable blind spot. In 2026, it's not anymore. Lumber costs have moved enough that sticking with one supplier isn't just old habit at this point. It's a real, countable cost.

## What's Actually Going On With Lumber Right Now

Here's the short version: lumber costs have stayed elevated all year, and nothing points to that easing up soon. Part of it is ordinary construction and pallet production compete for the same raw material, so when homebuilding demand pulls mills toward higher-margin cuts, pallet-grade supply gets squeezed as a side effect, whether or not anything's happening in the pallet world itself. Part of it is tariff pressure on Canadian imports, which has forced producers to pull back output repeatedly over the past several years down roughly 20% since 2021, by some counts, on a supply chain U.S. pallet manufacturers lean on heavily.

None of this is a blip that resolves itself in a quarter. The trade's own benchmark index — the Random Lengths Framing Lumber Composite, which tracks real transaction pricing across the industry was running about 16% higher year-over-year as of this spring. That's not a headline number from one company's blog. It's the number the whole trade uses to know where pricing actually stands, and it backs up what buyers are already feeling: the baseline has moved, and it's not moving back to where it was.

## Why That Hits You Harder If You've Only Got One Vendor

Here's the part that actually matters if you're single-sourced: buyers with long-term contracts are mostly shielded from the worst of this. It's the ones buying reactively on the spot market, whenever they run low who are eating the sharpest swings this year. If your only pallet relationship is one phone call away from "sorry, we're out," you're not just exposed to a bad week. You're exposed to a market that's actively working against that exact position right now.

## This Isn't Really a Pallet Problem — It's Just Where Procurement Is Already Headed

Diversifying suppliers stopped being a defensive move a while ago and became standard practice, well outside of pallets. The numbers back it up: dual-sourcing is now the default posture for a large share of companies managing tariff exposure, and a growing share of procurement leaders now list supplier diversification as a core part of the job. Separately, disruptions to direct procurement are costing companies an average of around \$16 million a year, and close to 80% of organizations report getting hit by at least one supply chain disruption in the past year.

Pallets don't usually make anyone's list of "strategic" spend categories. But the logic that says don't let one relationship become your single point of failure doesn't care whether the input is a commodity pallet or a semiconductor. It doesn't have to be glamorous for the risk to be real.

### **What Having a Second Source Actually Gets You**

This isn't about running a bidding war or juggling five vendors just to have five vendors. It's about having somewhere to turn when your primary supplier hits a rough patch, a shortage, a price hike, a missed delivery right at peak season instead of finding out in that moment that you don't have an option.

It also gives you something to check your numbers against. Grades don't mean the same thing from one supplier to the next, pricing isn't holding still in a market moving like this one, and the only real way to know if your current deal still makes sense is to have something to compare it to. This year, that comparison is worth more than it's been in a while.

Pallets are never going to be the headline of anyone's supply chain strategy. But 2026 is a decent reminder that the stuff people stop paying attention to is usually exactly what catches them off guard.