

Wood Versus Plastic Pallets: What Today's Supply Chains Really Need to Know

By Eric Faber, Founder & CEO of Packaging Resources March 2025

In modern logistics, few packaging components work harder—or get overlooked more often—than the humble pallet. Whether moving consumer goods, foodservice items, pharmaceuticals, or industrial materials, the pallet choice behind the scenes has major implications for cost, safety, sustainability, and operational efficiency.

For decades, wood has dominated. But as supply chains evolve, plastic pallets continue to gain traction in nearly every sector. The question every manufacturer, distributor, and retailer now asks is: **Which material offers the greatest long-term value?**

At Packaging Resources, we've spent more than 35 years evaluating pallet systems across global supply chains. Here's a practical, data-driven comparison of **wood vs. plastic pallets**—what matters, what doesn't, and where each material truly excels.

Cost & ROI: Upfront vs. Lifecycle Economics

Wood Pallets

- **Lower initial cost** (typically \$10–\$18 per pallet).
- Easily repaired and maintained.
- Readily available through local suppliers.
- Best for *one-way* or limited-use shipments.

Plastic Pallets

- **Higher upfront investment** (\$50–\$100+ depending on style).
- Designed for long-term use—often exceeding **100+ trips**, compared to wood's 3–5.
- Lower lifecycle cost for closed-loop systems.
- Reduce product damage (no nails, splinters, or inconsistent deck boards).

Bottom Line:

If you operate a pooled or closed-loop system, plastic wins on lifecycle economics. For single-trip sends or fragmented distribution, wood remains cost-effective.

Durability, Cleanliness & Safety

Wood

- Prone to moisture absorption, bacterial growth, and harboring contaminants.
- Nails can damage product packaging—especially film-wrapped or bagged goods.
- Variability is common; not all wood pallets are identical in weight or strength.

Plastic

- Impervious to moisture and most chemicals.
- Hygienic and easy to sanitize—ideal for **food, pharma, beverage, and cleanroom applications**.
- Lightweight, consistent dimensions, and reduces workplace injuries due to fewer sharp edges.

Bottom Line:

If your industry has hygiene requirements or product integrity concerns, plastic provides unmatched consistency and safety.

Sustainability: The Most Misunderstood Factor

Wood is often labeled “greener”—and it can be. But the sustainability story isn’t that simple.

Wood Pallets

- Made from renewable resources and widely recyclable.
- Repairs extend their lifespan significantly.
- Disposal is easy—often repurposed into mulch, fuel, or animal bedding.

Plastic Pallets

- High initial resin footprint, but extremely long life cycles.
- 100% recyclable at end-of-life, often back into new pallets.
- Eliminate the waste stream associated with frequent wood pallet failures.
- Consistent weight reduces fuel consumption in large fleets.

Bottom Line:

For long-life closed loops, plastic often delivers lower total environmental impact.

For open, unpredictable loops, wood still presents a viable renewable option.

Regulatory & Export Considerations

Wood

- Export shipments must comply with **ISPM-15 heat-treatment requirements**.
- Risk of refusal at international ports if improperly certified.
- Susceptible to pests and mold during long transit.

Plastic

- Exempt from ISPM-15.
- No pest-control concerns.
- Preferred by many global shippers with strict hygiene protocols.

Bottom Line:

If you export frequently—or ship into regions with tight compliance—plastic simplifies paperwork and reduces risk.

Operational Performance & Handling

Wood

- Strong load-bearing for heavy, static industrial applications.
- Works well in rugged or irregular environments (construction, raw materials, agriculture).
- Repairs quickly in-house with basic tools.

Plastic

- Superior automation compatibility thanks to dimensional consistency.
- Ideal for **automated warehouses, high-speed filling lines, and robotic picking**.
- Available in nestable, rackable, and reinforced formats tailored to specific supply chains.

Bottom Line:

Automation loves plastic.

Heavy-duty manual environments lean toward wood.

When Our Clients Ask, “Which Should We Use?”—Here’s Our Advice

At Packaging Resources, we evaluate pallet decisions using five core criteria:

1. **Distribution Model** – Open loop vs. closed loop
2. **Industry Requirements** – Hygiene, regulatory compliance
3. **Product Sensitivity** – Risk of abrasion, puncture, or contamination
4. **Total Lifecycle Cost** – Not just purchase price
5. **Sustainability Goals** – End-of-life recovery and carbon profile

The best solution is rarely “all wood” or “all plastic.”

Most modern supply chains benefit from a **hybrid strategy**, using each material where it performs best.

Final Thoughts

The pallet may be the least glamorous part of your packaging system, but choosing the right one can significantly reduce product damage, logistics costs, worker injuries, and environmental impact.

Whether you’re optimizing a high-velocity automated warehouse, improving food-safety compliance, or reducing long-term operational costs, understanding the tradeoffs between wood and plastic pallets is essential to building a smart, efficient supply chain.

If your business wants a data-backed pallet strategy, Packaging Resources can help you analyze usage patterns, cost structures, and supply-chain pathways to determine the perfect fit for your operation.