



SOUTHERN CHAMPION TRAY

Paperboard Packaging Specialists Since 1927

March 26, 2021

To Our Valued Customers:

As you have likely seen in industry news, as well as heard from other vendors, recent disruptions related to weather, technology, and global imbalances in demand have impacted supply and cost for many raw materials, including adhesives and glues, films, plastics and paperboard, as well as driven up transportation rates. While we continue to evaluate our critical lead times and inventories, we do not currently anticipate any significant disruptions for our customers, however we may need to substitute board type or caliper occasionally to continue to serve you.

In addition to the supply disruptions listed above, paperboard remains in unprecedented demand, resulting in limited availability and multiple increases from paper mills, across all substrates ranging from \$30-100 per ton. Because of this, it is necessary that we raise pricing on all categories by 5%, with the exception of corrugated, which will be an 8% increase, effective with all orders delivered on or after May 30, 2021, regardless of when the order is placed.

In order to best serve all our customers and meet the already increased demand, we are asking everyone to not exceed their historical order quantities, as we will not be able to honor buy-in orders prior to the increase. Please also meet with your SCT Account Manager to discuss any expectation of increased forecasts for this spring and summer prior to placing orders.

For stock items, your new pricing will be sent to you via email from your Account Manager within the next few weeks. For custom items, your Account Manager will be contacting you to review the details of your pricing.

We appreciate your confidence and continued support, and trust that you understand the necessity to pass on these recent increases. Should you have questions, we invite you to contact your Account Manager. You can rest assured that the SCT team will do everything possible to contain costs and supply product to you during these unparalleled times.

Sincerely,

Ed Curtis

Ed Curtis
Chattanooga General Manager