



“Service You Can Count On!”

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As we have stated in the past, in our industry lumber prices greatly affect the cost of the pallets that we manufacture. Due to the large increase in demand for the lower grade lumber market, mills are not cutting the quantity of pallet material that is needed for pallet shops and other end users. Several regions are suffering from this difficult situation as well as our own region. The price that Middlefield Pallet Inc. purchases their material is based solely on demand for the product and we do not have any control over the pricing. The fact of the matter is this: we need this material in order to manufacture pallets for our customer so we are forced to dramatically increase the price we pay for the material as our lumber inventory has decreased significantly in the last few months. Raw material prices increased by \$20.00 per 1000 board feet in December and this month it will increase by another \$20.00 per 1000 board feet, which is a 6% increase in lumber cost. Unfortunately this requires us to ***increase pallet prices yet again by 6% effective February 7th.***

With the volatile raw material market, our goal is to keep customers informed about changes that affect pricing. As always, your satisfaction is very important to us and we will continue to produce the highest quality products possible with the same service you have come to expect. We will review our customer's pallet program and if there is any alternative that we can use to decrease the cost and keep the same quality we will pass the savings to you. We value our customers and we look forward to our continued relationship with your company. Please let us know if there is any way we can serve you better.

Sincerely,

John A. Yoder

John Yoder
Vice President

Member of: 