

MIDWEST SUPPLY & DISTRIBUTING

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December 3, 2018

Re: Tariff Increase

Dear Valued Customer,

As you may be aware, the United States Government has put into effect a new tariff law on products imported from China. The law covers approximately 200 Billion in products imported from China each year. It states that, effective September 24th, import duties increased to 10% of the value of goods, and then, effective January 1st, 2019, import duties will be increased to 25% of the value of goods. However, very recently, President Trump and President Xi Jinping have agreed to postpone the increase to 25% for an additional 90 days to give them more time to resolve differences. Please be aware that the United States Government could change the import tariff law at any time.

We are receiving notifications of price increases on a daily basis from our supply chain. While we are doing everything possible to mitigate price increases, most of the increases will be unavoidable. If you want to make a purchase prior to the increase, please understand that we will need adequate time to procure goods. Also, supply may be limited as manufacturers will need to allocate supply as best they can during this abnormal increase in demand.

We have enclosed a list of product categories that may be of particular interest to you. If you are interested in the complete list, you can find it at the following web address, where you will find the complete Notice of Modification of Section 301 from the United States Trade Representative.

<https://www.gpo.gov/fdsys/pkg/FR-2018-09-21/pdf/2018-20610.pdf>

Sincerely,

Joel Leeland
Director of Purchasing

MWS

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Possible List of Items/Raw Ingredients to Increase on January 1st

- Mixed feed or mixed feed ingredients used in animal feeding
- Vitamins used in animal feed
- Minerals
- Copper Sulfate
- Mineral oils
- Gases
- Chemicals
- Plastics
- Pharmaceuticals
- Vaccines
- Antibiotics
- Penicillin G Amidase
- Solvents
- Formaldehyde
- Pesticides
- Insecticides
- Fungicides
- Herbicides
- Disinfectants
- Rodenticides
- Pigments and coloring preparations
- Paints
- Shampoos
- Soaps
- Packaging (plastic bags, crates, etc.)
- Various leathers
- Gloves (excluding medical or surgical gloves)
- Many wood products
- Fabrics and fibers
- Paper towels
- Terry towels
- Metals
- Garden tools
- Manure spreaders

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