



## IMPORTANT UPDATE

May 17, 2021

Nemco Food Trading Inc.  
207 Bedford Street  
Lakeville, MA 02347

Dear Valued Customers:

We are writing to update you on the unprecedented situation facing the import industry at this time.

An outrageous rise in ocean freight rates and a limited amount of vessel space is continuing to plague importers around the world. The ocean freight situation, which we expected to improve, has gotten significantly worse. For example, normal rates from Asia a year ago were about \$2500. As of recently, these rates have moved to \$8000 and as high as \$11000 in order to guarantee vessel space. In order to ensure an adequate and uninterrupted supply of product to our customers, we have no choice but to accept these draconian rates.

At this time, we regretfully must declare a broad force majeure with regards to all current price lists, bids, and any contracts we have in place. **What that means is that all purchase orders must have their prices re-evaluated based on the current cost of ocean freight.** We will do our best to keep these changes as minimal as possible; however, we are unable to take significant losses due to this unprecedented spike in ocean freight.

Additionally, all previous purchase orders for extended period ship dates will also need to have their prices re-examined, as we are shipping those products at higher ocean freight levels than quoted. With regards to price lists, any and all current pricing that has been provided prior to today will no longer be valid. Additionally, all quoted pricing moving forward is subjected to change based on the rising cost of ocean freight. We will do our absolute best to stay as close to quoted pricing as possible.

Regretfully these measures are necessary for us to ensure an uninterrupted supply to all of our customers. We encourage you to send similar notices to your customers in order to keep them up to date on the current situation as to why prices have been constantly changing. The issues in the supply chain are well documented in the national news and can be validated through a simple online search. Again, we are disappointed that we must continue to review and readjust prices, but this process is entirely necessary to maintain the import supply chain as best as possible.

Thank you to all for your understanding during this difficult time.

Should you have any issues or concerns, please reach out to me at [c.buckley@nemcoimports.com](mailto:c.buckley@nemcoimports.com) .

Sincerely,

Christopher Buckley  
Owner, Nemco Food Trading, Inc.