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To: All Markets

January 29, 2021

RE: Product Availability in 2021

We are sending this correspondence to you, so you are informed about the volatile environment and as a follow up to our November price guidance letter.

Steel: Steel continues to rise in cost beyond the initial reports we received last fall. All vendors have notified us of monthly increases through at least March. Some are saying this will plateau, but at the higher cost through the spring. Availability of products, especially heavy gauges (12ga and 10ga) and 20ga EQ alternatives (30 and 33mil), are in short supply. Lead times for most orders are averaging two weeks. With these type of increases, this will not effect just CFS products, it will likely span the industry in steel related products. For more information on the steel industry in general, follow this link: <https://www.thefabricator.com/thefabricator/blog/metalsmaterials/steel-prices-reach-levels-not-seen-since-2008>

Insulation: All fiberglass insulation forms are on a controlled distribution (batts, blow in, and specialty). Five- to six-week lead times are not uncommon even for stock items. Fiberglass competitors (mineral-wool) are in a similar situation; Rockwool currently stands at a 70-day lead time from when an order is placed. We expect continued upward price pressure to continue.

Gypsum: The winter months have calmed the waters to a degree, but robust residential growth reports continue to keep the plants busy and controlled distribution in place. With little capacity being added, spring weather may increase the demand and further limit availability for much of 2021.

Trucking from all vendors continues to be sporadic at best, and we could see much worse availability in the spring and summer months due to agricultural freight.

What can you do to ensure your projects have the materials you need?

Understand that there is not one thing or a "silver bullet" to get us through these conditions. We would advise increased planning and outlook on materials needed for all projects. We would also recommend multiple manufacturers to submit for approval, so that we have options. One additional resource the construction industry has for periods of pricing volatility is the AGC's ConsensusDocs 200.1, Time and Price Impacted Materials Amendment.

As always, we will continue to honor our price commitments and keep you informed of changes.

Sincerely,

Peter G. Wilhelms
Vice President, Marketing & Product Development

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