



13 October 2021

Dear Loscam Customers

Loscam Australia – Wooden Pallet Demand

As you would no doubt be aware, the pallet industry continues to experience unprecedented demand on the available national wooden pallet pool across the country.

The Loscam team continues to work tirelessly in managing the demand against supply constraints as best we can. Our focus has always been working towards ensuring some supply across all customers. Although this has meant impact on a larger scale, the consequences to date have been mostly through reduced or delayed orders and not instances of ongoing non-supply. The only customers prioritized have been those directly related with the critical response to the health crisis.

Unfortunately, over the past few months we have witnessed a significant increase in pallet sharing amongst our customers. This has resulted in a dramatic decrease in the return of pallets into our depot network. Despite our efforts in raising serious concerns with the key parties involved, it has continued to grow in practice. In the case of September, pallet returns to our major depot network reduced by nearly 50% compared to same time last year.

This will continue to seriously impede our ability to meet the basic market demand until this practice ceases. We do not have control over who has access to these “indirect” issues and limited transparency until transfers are processed. We also have serious concerns around the extended period these pallets are rotating without professional inspection and repair. This has already resulted in compromised pallets circulating in the market raising significant and increasing risk to your operations function and staff safety.

We will continue to work towards discouraging this activity and seeing improved returns to our depot network. We also encourage you to raise this with your own trading parties, including retailers, who may be supporting this practice. We also ask that you continue to order the minimum volume of pallets required and return any unused pallets at your earliest convenience.

We expect these challenges to continue until Christmas and strongly encourage you to plan around having ongoing disruption on pallet supply. This is far from our desired position and appreciate your ongoing support and understanding. We will continue to do all that we can to improve our ability to service demand in these unprecedented times.

Regards

Daniel Bunnett
Executive Vice President – Loscam Australia & New Zealand

LOSCAM AUSTRALIA PTY LTD
ACN 006 440 991 ABN 26 006 440 991

Your Pooling Solutions Partner
since 1942

National Office

PO Box 605, Box Hill B.C.,
VIC 3128
Tel: +61 3 9843 3700
Fax: +61 3 9843 3701

Victoria/Tasmania

PO Box 1237, Dandenong,
VIC 3175
Tel: +61 3 9794 9898
Fax: +61 3 9794 0158

New South Wales

Locked Bag 5003
St Clair NSW 2759
Tel: +61 2 8047 9510
Fax: +61 2 8047 9506

Queensland

PO Box 521, Archerfield,
QLD 4108
Tel: +61 7 3718 0100
Fax: +61 7 3718 0120

South Australia

196-208 Cormack Road,
Wingfield, SA 5013
Tel: +61 8 8243 0300
Fax: +61 8 8243 0099

Western Australia

PO Box 1245, Canning Vale DC,
WA 6970
Tel: +61 8 6103 6000
Fax: +61 8 9455 6222



www.loscam.com