

# CAPS CASES

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## Pallet Container Market Briefing

17<sup>th</sup> June 2021

### What is happening with pallets?

Timber stocks in Europe are currently at a 20 year low, with almost all wood arriving in the UK having been presold on strict allocations which are leaving most timber buyers short of their required volumes.

The Timber Trade Federation have said:

*“Q3 2021 will be the biggest challenge the structural wood sector and its customers have ever faced”*

Timber prices have risen to highest levels on record, and Caps Cases are facing an unprecedented 30% increase on timber pallets from the start of July.

### What about Corrugated?

PPI moved up a further £50/tonne in June, this is driving the 4<sup>th</sup> corrugated board increase of 2021 and means we will soon be paying 41% more for corrugate that we were in December 2020.

Paper supply remains tight, but the allocations Caps Cases have secured are proving sufficient to allow us to meet maintain continuity of supply, which is our main focus in the current climate.

### How does this affect pallet containers?

The severity of these increases means we have no option but to apply a 22% increase to pallet container products, effective on deliveries due on/after 12<sup>th</sup> July.

As ever your Account Manager will be happy to discuss any alternative options that might be available to offset these increases.

Thank you all for your continued support.



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