



Here at Martin EZ Stick Labels, we understand the critical role the products we make for your company are and how they contribute to the success of your operations and business overall.

We are sharing critical updates regarding materials used to create labels and developing supply chain dilemmas:

UPM Strike

The labor strike in Finland is putting pressure on the availability of semi-gloss papers and liners, including but not limited to 40#/BG, 40#SCK, 40#CK, and 50# liners. These are all used to make pressure-sensitive labels.

Allocation of these materials began mid-January when many of our suppliers notified us that we could not exceed our six-month, monthly average at a time we knew it was time to extend this information. Now we are being told we can no longer purchase above these averages. In addition, we may only be able to order up to 60% of our monthly average for the foreseeable future.

To help explain this predicament, UPM supplies 40# and 50#CK and SCK liner materials along with 40# Bleached Glassine to companies such as Fasson, Green Bay Packaging, Wausau, MacTac, Technicote, and others. In addition, Thermal Transfer, Direct Thermal face stocks, semi-gloss and gloss paper stock, and other durable good face stocks will be affected.

In addition, we are also seeing significant shortages and long lead times for semi-gloss and gloss face stocks. Specifically, Kimdura and other specialty products currently have 8-month lead times. We will advise you on lead times when orders with these materials are received.

We are encountering a consistent sales control approach across our entire supplier base for many of the materials listed above. For the short term, we expect to only be able to purchase a portion of our normal consumption of these materials with the specific paper liners. Vendors continue to share the strike effects, and if the strike continues, the supply of the liners could run out as soon as 60 to 90 days.

To shed additional light on the complexity of the situation, hundreds of materials from nearly a dozen of our suppliers using paper liners are directly impacted by this news. Unfortunately, these material suppliers have contacted us on the ongoing material allocation status and the higher prices. At the time of your next order, we will share the cost and lead time should the material affect your order.

If materials cannot be delivered in time to run your order, our team may be able to offer the same face stock and adhesive on a polyester liner. The determination depends on the specifications surrounding your project. For most of our customers, this would be the best deviation to accept since the material that adheres to the product (face stock and adhesive) would remain the same. However, this option will not be possible for Thermal Transfer or Direct Thermal materials requiring paper liners. Again, our team will extend recommendations for your spec or construction requirements, should alternatives be available.

The industry relies on UPM to resolve these labor issues so the supply chain can get back on track. Although they are not the only source for liners, they're generally the primary source for most suppliers listed above.

Martin EZ Stick Labels has been manufacturing labels for over 43 years, and over time we have experienced many complicated societal and economic events and hardships. We are confident we will one day look back at the current situation and marvel at the trials we have endured together. It's our goal to assist you by continuing to plan to the best of our ability. We value your patience and understanding, given the news and supply challenges shared above.

We appreciate your business and want to reassure you we are doing our very best to work through this difficult time.

Sincerely,
F. Richard Martinez