

# PAIS

Supplier Of Choice

1-800-328-8842

Feed & Medication

11-14-17

# NEWSletter



Happy  
Thanksgiving

I was a little slow at getting something out this month as it seemed almost every other day I was getting new pricing information. With the holiday next week I am hoping not much will change over the next couple of weeks.



China's "new" stance:

A hard stance has been taken in making sure that factories are compliant with environmental laws. In the past when policies were passed there was little to no compliance. Many factories were unaware or unwilling to comply so they continued operating in polluting ways. Because of current inspections, some factories are being forced to cease or limit their production immediately.

Why now?

In 2013, China passed the "10 Measures for Environmental Protection" which outlined measures to improve China's environment. This was monumental as China addressed and admitted their environmental problems. In the past China placed more focus on developing its economy with manufacturing while paying a huge expense in air, water, and ground waste pollution.

China has an important government meeting which takes place every five years. It just took place on Oct 18th, 2017, the main objectives were to select the top leaders, to put policies in place as a road map for the country going forward. Environmental Protection was a key issue.



To whom it may concern,

ADM's vitamin letter tells a good story:

We continue to experience heightened volatility and an increasing scarcity of many vitamins, predominantly from China. The underlying motivation behind the current situation began in 2013 as noted by the excerpt below:

[In response to an increasing air pollution problem, the Chinese government announced a five-year, US\\$277 billion plan to address the issue in 2013. Northern China will receive particular attention, as the government aims to reduce air emissions by 25 percent by 2017, compared with 2012 levels. Source: Grist.org 28, July 2013](#)

In previous years we've experienced the repercussions of these changes, but were more isolated to an individual vitamin or two. Currently, the situation is widespread across just about all. Likewise, the enforcement is not isolated to the vitamin industry, as others sectors; chemical, mining, printing, textiles or in short anything labeled "environmentally impactful" have been mandated to restrict emissions or be shut down.

Even in certain situations where a vitamin manufacturer has met the guidelines, their raw material supplier has not and as such production is halted. Teams of government officials are touring the country by province to inspect each facility. Currently Shandong and Zhejiang provinces; where the majority of many vitamins are manufactured, are in the midst of the process. While obtaining specific information out of China can be difficult it is estimated that tens of thousands of factories have been shut down, in some cases permanently.

A quick internet search on the topic brings up a few of the headlines published just this month:

[China to revoke over 1,000 iron ore mining licenses amid pollution crackdown. Source: mining.com](#)

[China's environmental crackdown hits August metals output. Source: reuters.com](#)

[12,000 officials disciplined and 18,000 companies punished in China's sweeping crackdown against pollution. Source: SCMP.com](#)

[Importers Concerned Over China's Pollution Crackdown. Source: Sourcing Journal Online](#)

Compounding the current situation, in particular with vitamin A, is planned downtime at DSM during 4<sup>th</sup> quarter and again in the latter half of 2018. Likewise adding, in some part, to the price escalation is a strengthening of the RMB (up about 5% this year) and to a lesser extent domestic logistical issues resulting from the recent hurricanes.

Unfortunately, there isn't going to be a "quick fix" to the problem. In cases where manufacturing sites are shuttered permanently, the company will need to re-locate or exit the business; neither addresses the immediate need. For certain items we have seen dramatic price increases, up to a 4X factor from just a quarter or two ago.

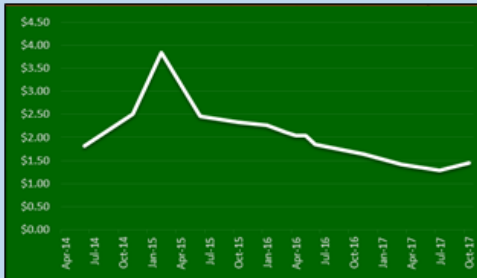
There were indications of the impending situation back this summer, though not to the levels currently exhibited, so we have planned accordingly to maintain our traditional volume with existing customers. We'll continue to monitor and react as necessary to minimize any potential disruptions to their business through 4<sup>th</sup> quarter and beyond.

ADM Animal Nutrition

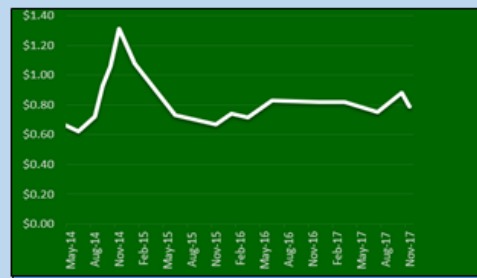


**2 Feed Information Services reported yesterday that a recent fire at a BASF plant will likely increase the already tight situations on Vitamin A and also effect Vitamin E. They predict it will be March or later 2018 when situations should improve.**

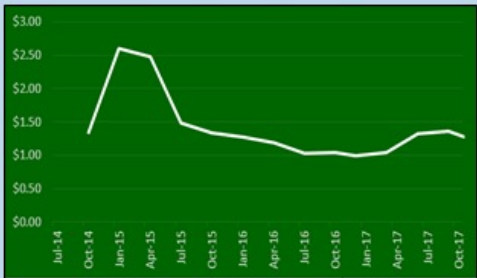
**Pricing in graphs reflect our highest retail price. Full pallet, truckload, customer pickup and other factors may reduce your purchase price.**



**Evonik Methionine:**  
 Year ago \$1.65lb  
 60 days ago \$1.32lb  
 Today \$1.44 lb



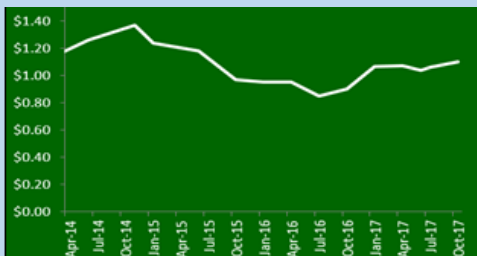
**ADM Lysine:**  
 Year ago \$.83lb  
 60 days ago \$.75lb  
 Today \$.79lb



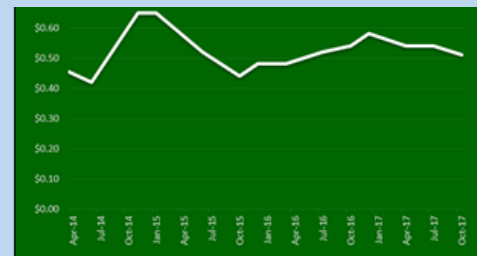
**ADM Threonine:**  
 Year ago \$1.10lb  
 60 day ago \$1.24lb  
 Today \$1.25lb



**Tryptophan:**  
 Year ago \$3.82lb  
 60 days ago \$4.67lb  
 Today \$9.00 + lb



**Copper Sulfate:**  
 Year ago \$.93lb  
 60 days ago \$1.04lb  
 Today \$1.12 lb



**Biolys:**  
 Year ago \$.52lb  
 60 days ago \$.54lb  
 Today \$.53lb

**Pricing in graphs reflect our highest retail price. Full pallet, truckload, customer pickup and other factors may reduce your purchase price.**

**PALS**  
Supplier Of Choice  
1-800-328-8842

**SNOW & ICE MELT**  
Limited quantities - Get it by the pallet or bags with your regular order.

**QUIK MELT**  
Last Year's Best Seller

**QUIK-MELT SNOW & ICE MELTER**  
Effectively melts snow and ice down to -25°F

- Fast acting Premium ice melt - Pellets activate snow and ice melt immediately on contact
- Safe to use on Concrete Driveways, sidewalks and steps when used as directed.
- Contains Calcium Chloride - the most powerful and quickest melting ingredient available.

Only \$9.99  
Only \$14.99

50lb bags

1-800-328-8842

**BioSafe Systems**  
Easily Sustainable. Always Effective.

**1-800-328-8842**

**PALS**  
Supplier Of Choice

**SaniDate 5.0**  
SANITIZER/DISINFECTANT

**Cid 2000**  
LINE CLEANER/SANITIZER

VS.

Save \$18.12 per 2.5 gallons

Net cost \$49.99  
Item#: 080306

Net cost \$68.11  
Item#: 080330

University of Arkansas recently released a study validating SaniDate® 5.0 as an effective antimicrobial and line cleaner for use in poultry water systems. Mineral build-up and bacterial biofilms are common in poultry water systems. They result in reduced flow rates and weakened bird performance. Biofilms can also harbor pathogens creating risk of disease throughout entire flocks.

The study conducted by Dr. Susan Watkins and Dr. Geetha Sanal Kumar Phillips determined the effectiveness of SaniDate® 5.0 using different concentrations and varied levels of microbe population as a line sanitizer and as a drinking water sanitizer when birds are present.

As a line sanitizer SaniDate® 5.0 proved effective for reducing aerobic plate counts, yeast and mold levels at test dilution rates of 1:50 or 1:128 and was comparable to CID 2000. As a drinking water inclusion all test dilution rates (1:2,900 - 1:15,059) had a significant impact on aerobic bacteria levels.

*Effective in treating:*

- |  |   |   |
|--|---|---|
| <input checked="" type="checkbox"/> Salmonella | <input checked="" type="checkbox"/> Pseudomonas | <input checked="" type="checkbox"/> Mold and Mildew       |
| <input checked="" type="checkbox"/> Strep      | <input checked="" type="checkbox"/> Staph       | <input checked="" type="checkbox"/> Pediococcus damnosus  |
| <input checked="" type="checkbox"/> E.Coli     | <input checked="" type="checkbox"/> Listeria    | <input checked="" type="checkbox"/> Staphylococcus aureus |



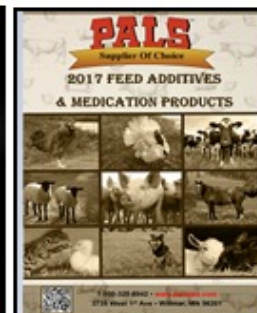
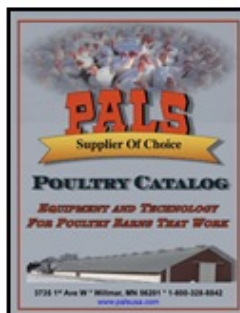
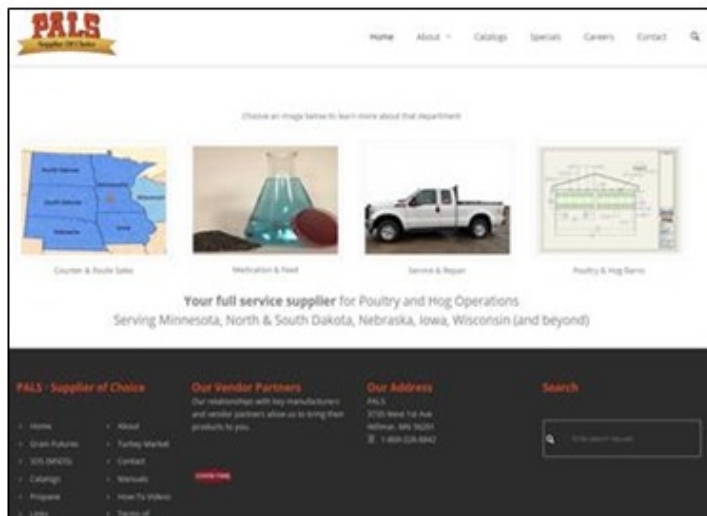
The following are 2 great websites to check out.

<https://www.bestfoodfacts.org/>

<http://www.foodintegrity.org/>

Check out our website

[www.palsusa.com](http://www.palsusa.com)



Do you need a copy of one of our catalogs?

**PALS**  
Supplier Of Choice

1-800-328-8842  
Fax: (320) 235-8869

**rx@palsusa.com**

Fill your Scripts & VFDs here

**Randy Young**

*Supply Chain Manager*

1-800-328-8842 ext. 9523 Fax (320) 235-8869

3735 West 1st Ave. Willmar, MN 56201

[randy.young@palsusa.com](mailto:randy.young@palsusa.com) [www.palsusa.com](http://www.palsusa.com)

