



## Dieboard Inventory Update

First of all, we apologize in advance for this really long letter. **But if you regularly purchase dieboard made from Russian Birch, we urge you to sit down, grab a cup of coffee, and read this in its entirety.**

As you know, Russian Birch dieboard has been difficult to source for quite some time. For over a year now, we have been unable to purchase as much as we have wanted to due to increased demand at the mills. The story we were given was that several Chinese companies were buying up all available production capacity at the Russian mills. This (along with container shortages, port congestion, and crazy freight rates) caused both stock-outs and higher prices. While we were hoping and expecting this condition to improve starting in 2022, the invasion of Ukraine has made things worse.

Much, much worse.

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### Tariff

As you may have heard, the US has removed Russia's favored nation status and imposed a 50% tariff on all Russian goods, effective immediately. Until two weeks ago, we thought that the material on the water would be exempt (like it was in Canada, where they exempted in-transit material coming from Russia). We were wrong.

While some of our importers are still fighting this ruling...they are losing. Meanwhile, we have a lot of product landing over the next several weeks and none of it will come off the boat without us paying that 50% tariff.

And our industry needs product now...we can't send it all to the Bahamas and wait for our government officials to come to their senses and realize that all of this product was ordered and manufactured long before the Russian attack of Ukraine. In other words, imposing this tariff on in-transit product isn't hurting Russia at all because they have been paid in advance, and in-full...it is only hurting American industry.

Worse yet, some of our dieboard was supposed to land in New Jersey several weeks ago (before the tariff). But because of port congestion, it got rerouted to the Bahamas, and then to South Carolina post-tariff.

Seriously, we can't make this stuff up.

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## New Prices

All of this means that we have to raise our prices, yet again. And it must be effective immediately.

Over the past two weeks, we have done what we can to predict the cost of the material on the water and blend it with our remaining inventory (which is challenging since our inventory depletes daily). So while the news of another price increase is bad (obviously), at least our pricing isn't spiking 50%+ across the board.

However, the only way to do this was to blend our costs. Otherwise, there would be a run on all of the remaining stock at old pricing, leaving the rest of our customers to endure the full 50%+ increases. Also, the price increases vary substantially depending on the mix of Russian Birch we have in stock and Birch on the water.

The 5/8" x 48" x 60" size was the hardest hit as it was sold out and therefore we didn't have stock to blend. So it was not only affected by the full 50% tariff, but also the additional freight/port increases. Other sizes were blended with lower-cost landed material to lessen the tariff's impact.

**Our list and standard discount prices have changed both in our system and on [DieBoard.com](https://dieboard.com). For those who have contract pricing, you'll be receiving a separate email with your new crate-quantity prices.**

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## **Poplar - The New Low-Cost Dieboard** **An Exclusive Freeman Innovation**



In case you haven't heard, we recently added a new species of dieboard made from domestically sourced [Poplar](#). Historically, introducing a Poplar dieboard didn't make sense because Russian Birch was much less expensive. Today, Poplar is now a less expensive solution than either Birch or Maple and therefore it warrants serious consideration by every diemaker in North America.

**Sixteen customers have tested our initial runs of [Poplar dieboard](#) and are using it successfully to replace some or all of their Birch requirements.** We are getting new shipments weekly, and it will soon be available in over a dozen sizes.

At this point, we have ordered the mill's entire Poplar capacity. And while it still isn't enough to fill North America's entire flat dieboard demand long term, it will help fill the huge gap left by Russian trade disruption and extend our Birch supply through the coming weeks and months until we introduce the remainder of our long term solution.

So we urge every customer to purchase at least a crate of [Poplar dieboard](#) to try it out in various applications and determine how this new lower-cost dieboard can fit into your purchasing strategy.

## Allocation

Next, we'd thank all of you for your patience while we managed our Birch inventory situation over the past two months. Nobody wants to implement or manage allocations (on either side), but it was necessary to best take care of the entire industry.

As of today, we are happy to announce that we no longer have any allocation on any dieboards. **Maple, Birch, or Poplar, it is all first come, first served. Whether you want a crate or a truckload...whatever we have in stock is yours to order.**

There's just one catch.

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## Birch on the Water

**The only thing we cannot do is accept an order for a crate of Russian Birch that hasn't yet been received into our inventory.** Otherwise, the logistics would be a nightmare and we'd be right back to managing allocations.

If you would like to know what Russian Birch dieboards we are expecting (with dates that are as unreliable as everything else supply-chain-related in 2022), that information will be managed solely by Mike Porter. But no one (including Mike) can place an order for any of it until it lands and is received.



## The Future

Rest assured, Freeman is actively working on expanding our dieboard offering even further. While we can't divulge anything right now, we are exploring several options. But each one will take time to develop.

A few customers have volunteered to work with us to test various options and help us assess which are worth the investment of introducing to the market. We can't over-emphasize how much of a valuable service these customers are providing the entire industry as we validate (or invalidate) our long-term options.

Meanwhile, every domestic veneer supplier and plywood mill that we work with is at or above normal capacity...and expanding that capacity takes time (and investment). So we are ordering as much as we can and we hope that prices will stabilize soon...and perhaps even fall, eventually. But we don't expect to have anything close to a normal (pre-COVID, pre-Ukrainian invasion), consistent supply of flat dieboards for quite some time.

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**We greatly appreciate your patience, support, and understanding. We'll be back in touch soon.**

*Thank you,*

*Ian McClaskey  
Vice President, Sales  
Freeman Manufacturing & Supply Co.*