Monsanto

FROM (NAME & LOCATION): J. H. Orem - Galt Laboratories - 1730

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SUBJECT: POLYSULFIDE INSULATING GLASS SEALANTS

REFERENCE:

TO: FILE

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This will summarize my recent meeting with Mr. T. D. Schroeder, Thiokol's area technical representative.

October and November '78 sales of LP-32 were down; December showed a pick-up. Inventories of insulating glass are always low. Thiokol believes sales of LP-32 reflect actual use and not inventory build. Sealant manufacturers do not produce in anticipation of sales but rather for orders on hand.

For pound-volume costing purposes, we should use $1.45 for LP-32.

Thiokol is the sole free-world producer of polysulfide rubber. Their plant capacity is 60M pounds valued at $85M on a replacement capital basis.

Product Research & Chemical, PRC, make a related polymer. This is lower in cost than LP-32, and PRC uses it all internally for their low cost sealants. LP-32 is used for their high cost sealant. A mixture of LP-32 and PRC product are used for an intermediate priced sealant. PRC is the largest producer of polysulfide insulating glass sealants in the U.S. and, no doubt, world-wide. We have a sample of PRC polymer in the laboratory for evaluation; Thiokol is not aware of this.

Inmont is the number two U.S. producer. Their sealant is equal in performance to PRC's top product, but it has a little lower selling price.

Steelco, St. Louis, has been producing these sealants for a long time. They are operating at capacity and have no plans to increase. Their production of sealant is very profitable.

J. H. Orem

JHO/gls

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