



E. I. DU PONT DE NEMOURS &amp; COMPANY

INCORPORATED

WILMINGTON, DELAWARE 19898

CHEMICALS AND PIGMENTS DEPARTMENT

July 8, 1981

PERSONAL & CONFIDENTIAL

C&amp;P DEPARTMENTS

DISTRICT MANAGERS

ASSISTANT DISTRICT MANAGERS

COMMERCIAL ASSISTANTS

SALES REPRESENTATIVES (DIRECT TO HOME ADDRESSES)

AREA MANAGERS, INTERNATIONAL SALES

COLORED PIGMENT PRODUCTS PRICE INCREASE

Colored Pigment prices are increased August 3, 1981, for open market and September 2, 1981, or as permitted for contract customers. New prices are shown on the attached schedule. Customer announcements will be mailed from Wilmington on Wednesday, July 15, 1981.

Open market orders reflecting established buying patterns placed prior to August 3, 1981, with requested ship date on or before September 1, 1981, will be invoiced at current prices regardless of actual ship date. Products in short supply will be apportioned, if necessary, according to the monthly average purchases for the past 12 months or the normal order pattern, whichever is higher, of those customers ordering these products. Orders in excess of the established buying pattern will be referred to the Business Center to determine if they can be accommodated with existing stocks.

All existing RPA's are cancelled effective August 3, 1981, for open market and September 2, 1981, for contract customers. In anticipation of the competitive situation, a Temporary Voluntary Allowance (TVA) is in effect extending existing RPA's 60 days beyond August 3, or until the present expiration date of the RPA, whichever is sooner. No extension of current RPA's is required at this time by field marketing personnel, however, close attention should be paid to competitive actions regarding our price changes. The duration of this TVA may be shortened or extended as the competitive situation develops. New competitive situations should be handled by RPA's

This increase is required to recover the continued cost of government regulation, rising costs of energy, raw materials and distribution, and to reverse the declining trend in profit margins.

The attached cost indices and product group background information should be helpful to you when discussing these changes with customers.

  
J. S. THACKRAH

JST/ktb  
Attachments

PRICE CHANGESINORGANIC PIGMENTS

Base Price \$/Lb.

| From | To | % Change |
|------|----|----------|
|------|----|----------|

Chrome Pigments

|                      |          |      |      |     |
|----------------------|----------|------|------|-----|
| Chrome Yellow Light  | Y-433-D  | 1.35 | 1.45 | 7.4 |
| Chrome Yellow Light  | Y-434-D  | 1.35 | 1.45 | 7.4 |
| Chrome Yellow Medium | Y-469-D  | 1.35 | 1.45 | 7.4 |
| Primrose Yellow      | Y-758-D  | 1.35 | 1.45 | 7.4 |
| Molybdate Orange     | YE-421-D | 1.95 | 2.10 | 7.7 |
| Molybdate Orange     | YE-637-D | 1.95 | 2.10 | 7.7 |
| Molybdate Orange     | YE-698-D | 1.95 | 2.10 | 7.7 |
| Molybdate Red        | YE-721-D | 1.95 | 2.10 | 7.7 |
| Molybdate Orange     | YE-735-D | 1.95 | 2.10 | 7.7 |
| *Molybdate Orange    | YE-994-D | 2.05 | 2.20 | 7.3 |
| Zinc Yellow          | Y-539-D  | 1.35 | 1.45 | 7.4 |

"Krolor" Pigments

|                          |          |      |      |     |
|--------------------------|----------|------|------|-----|
| "Krolor" Yellow Light    | KY-781-D | 2.35 | 2.35 | -   |
| "Krolor" Yellow Light    | KY-788-D | 2.35 | 2.35 | -   |
| "Krolor" Yellow Light    | KY-908-D | 2.35 | 2.35 | -   |
| "Krolor" Yellow Medium   | KY-787-D | 2.45 | 2.45 | -   |
| "Krolor" Yellow Medium   | KY-795-D | 2.45 | 2.45 | -   |
| "Krolor" Yellow Medium   | KY-907-D | 2.45 | 2.45 | -   |
| "Krolor" Primrose        | KY-790-D | 2.20 | 2.20 | -   |
| "Krolor" Primrose Yellow | KY-910-D | 2.20 | 2.20 | -   |
| "Krolor" Orange R        | KO-786-D | 2.95 | 3.10 | 5.1 |
| "Krolor" Orange R        | KO-906-D | 2.95 | 3.10 | 5.1 |
| "Krolor" Orange Y        | KO-789-D | 3.25 | 3.55 | 9.2 |
| "Krolor" Orange Y        | KO-909-D | 3.25 | 3.55 | 9.2 |
| "Krolor" Red             | KR-980-D | 6.50 | 6.75 | 3.8 |
| "Krolor" Red             | KR-981-D | 7.75 | 7.75 | -   |

ORGANIC PIGMENTSYellow Organic Pigments

|                    |          |      |      |      |
|--------------------|----------|------|------|------|
| "Dalamar" Yellow   | YT-717-D | 8.40 | 9.25 | 10.0 |
| m "Dalamar" Yellow | YT-839-P | 7.80 | 8.65 | 10.9 |
| m "Dalamar" Yellow | YT-840-P | 7.80 | 8.65 | 10.9 |

\* Restricted sales, not on published price list.  
 m Made to order.

ORGANIC PIGMENTS

Base Price \$/Lb.  
From To % Change

Yellow Organic Pigments (Cont'd.)

|   |                          |          |       |       |      |
|---|--------------------------|----------|-------|-------|------|
|   | "Dalamar" Yellow         | YT-858-D | 8.05  | 8.90  | 10.5 |
|   | "Dalamar" Yellow         | YT-868-D | 8.05  | 8.90  | 10.5 |
| m | "Dalamar" Yellow         | YT-889-P | 7.80  | 8.65  | 10.9 |
|   | "Dalamar" Yellow         | YW-718-P | 2.55  | 2.80  | 9.8  |
|   | "Dalamar" Yellow         | YW-731-P | 2.55  | 2.80  | 9.8  |
|   | "Dalamar" Yellow         | YW-869-P | 4.25  | 4.50  | 5.9  |
|   | "Dalamar" Yellow HSD     | YW-968-P | 4.40  | 4.85  | 10.2 |
|   | "Dalamar" Yellow         | YT-808-D | 8.05  | 8.90  | 10.5 |
|   | "Dalamar" Yellow         | YT-810-P | 7.80  | 8.65  | 10.9 |
|   | "Dalamar" Yellow         | YW-811-P | 3.35  | 3.65  | 9.0  |
|   | "Dalamar" Yellow R       | YT-820-D | 8.05  | 8.90  | 10.5 |
|   | "Dalamar" Yellow R       | YW-822-P | 3.35  | 3.65  | 9.0  |
|   | Toluidine Yellow 10G     | YT-828-D | 5.70  | 6.55  | 14.9 |
| m | Toluidine Yellow 10G     | YT-848-P | 5.45  | 6.30  | 15.6 |
|   | Toluidine Yellow 10G HSD | YW-928-P | 3.60  | 4.10  | 13.9 |
|   | Green Gold               | YT-562-D | 13.40 | 16.65 | 24.3 |
|   | Green Gold               | YT-714-D | 13.70 | 16.95 | 23.7 |
|   | Green Gold               | YW-613-P | 5.45  | 6.50  | 19.2 |

Phthalocyanine Green Pigments

|    |                      |          |       |       |      |
|----|----------------------|----------|-------|-------|------|
|    | "Monastral" Green B  | GT-674-D | 11.30 | 12.20 | 8.0  |
|    | "Monastral" Green G  | GT-751-D | 11.30 | 12.20 | 8.0  |
|    | "Monastral" Green G  | GT-829-D | 11.30 | 12.45 | 10.0 |
|    | "Monastral" Green Y  | GT-805-D | 12.90 | 14.20 | 10.0 |
|    | "Monastral" Green Y  | GT-860-D | 12.90 | 14.20 | 10.0 |
| w  | "Monastral" Green B  | GT-710-D | 11.30 | 12.30 | 9.0  |
| w  | "Monastral" Green B  | GT-793-D | 11.30 | 12.10 | 7.0  |
| w  | "Monastral" Green B  | GT-799-D | 11.30 | 12.20 | 8.0  |
| w  | "Monastral" Green B  | GW-749-P | 3.00  | 3.35  | 11.7 |
| w  | "Monastral" Green G  | GL-754-D | 3.50  | 3.75  | 7.0  |
| w  | "Monastral" Green GF | GL-761-D | 10.10 | 10.80 | 7.0  |
| w  | "Monastral" Green G  | GT-792-P | 11.35 | 12.50 | 10.0 |
| w  | "Monastral" Green G  | GT-822-P | 11.00 | 11.75 | 7.0  |
| wm | "Monastral" Green G  | GT-922-P | 11.45 | 12.25 | 7.0  |
| w  | "Monastral" Green Y  | GT-830-D | 12.30 | 13.15 | 7.0  |
| w  | *"Monastral" Green   | GT-826-P | 5.25  | 5.80  | 10.0 |
| w  | "Ramapo" Green B     | GP-501-D | 10.30 | 11.00 | 7.0  |

\* Restricted sales, not on published price list.

w To be withdrawn by year end as announced June 4, 1981.

m Made to order.

ORGANIC PIGMENTS

Base Price \$/Lb.  
From To % Change

Phthalocyanine Blue Pigments

|   |                      |          |       |       |      |
|---|----------------------|----------|-------|-------|------|
|   | "Monastral" Blue BF  | BL-282-D | 8.85  | 9.75  | 10.2 |
|   | "Monastral" Blue B   | BT-284-D | 11.20 | 11.75 | 4.9  |
|   | "Monastral" Blue BF  | BT-425-D | 10.65 | 11.70 | 9.9  |
|   | "Monastral" Blue B   | BT-449-D | 10.65 | 11.70 | 9.9  |
| m | "Monastral" Blue BF  | BT-455-P | 9.80  | 10.80 | 10.2 |
| m | "Monastral" Blue B   | BT-484-P | 10.00 | 11.00 | 10.0 |
|   | *"Monastral" Blue BF | BT-561-D | 9.27  | 10.18 | 9.8  |
|   | "Monastral" Blue B   | BW-372-P | 2.65  | 2.95  | 11.3 |
|   | "Monastral" Blue B   | BW-431-P | 3.90  | 4.30  | 10.2 |
|   | "Monastral" Blue GF  | BL-426-D | 9.80  | 10.30 | 5.1  |
|   | "Monastral" Blue G   | BT-297-D | 9.30  | 9.75  | 4.8  |
|   | "Monastral" Blue G   | BT-383-D | 9.30  | 9.75  | 4.8  |
|   | "Monastral" Blue GF  | BT-417-D | 10.20 | 10.70 | 4.9  |
|   | "Monastral" Blue GF  | BT-434-D | 10.20 | 10.70 | 4.9  |
| m | "Monastral" Blue G   | BT-436-P | 8.00  | 8.00  | -    |
|   | "Monastral" Blue GF  | BT-465-D | 10.35 | 11.40 | 10.1 |
| m | "Monastral" Blue G   | BT-482-P | 8.65  | 8.65  | -    |
| m | "Monastral" Blue G   | BT-487-P | 7.60  | 8.00  | 5.3  |
|   | "Monastral" Blue R   | BT-391-D | 8.45  | 8.85  | 4.7  |
| m | "Monastral" Blue R   | BT-401-P | 8.00  | 8.00  | -    |
|   | "Monastral" Blue RF  | BT-427-D | 10.65 | 11.70 | 9.9  |
|   | "Monastral" Blue RF  | BT-442-P | 9.80  | 10.80 | 10.2 |
| m | "Monastral" Blue R   | BT-483-P | 8.65  | 8.65  | -    |
|   | "Monastral" Blue R   | BT-498-D | 10.65 | 11.70 | 9.9  |
|   | *"Monastral" Blue C  | BT-443-D | 2.95  | 3.10  | 5.1  |
|   | *"Monastral" Blue C  | BT-494-D | 4.55  | 4.75  | 4.4  |
|   | "Ramapo" Blue BF     | BP-366-D | 9.80  | 10.30 | 5.1  |
|   | "Ramapo" Blue BF     | BP-479-D | 11.20 | 12.30 | 9.8  |

Quinacridone Pigments

|   |                               |          |       |       |      |
|---|-------------------------------|----------|-------|-------|------|
|   | "Monastral" Violet R          | RT-201-D | 20.90 | 23.00 | 10.0 |
|   | "Monastral" Violet R          | RT-733-D | 20.50 | 20.50 | -    |
|   | "Monastral" Violet R          | RT-791-D | 20.90 | 23.00 | 10.0 |
|   | "Monastral" Violet R          | RT-795-D | 20.90 | 23.00 | 10.0 |
|   | "Monastral" Violet R          | RT-887-D | 20.90 | 23.00 | 10.0 |
|   | "Monastral" Violet R          | RT-899-D | 20.90 | 23.00 | 10.0 |
|   | "Monastral" Violet R          | RW-767-P | 4.95  | 5.50  | 11.1 |
|   | "Monastral" Transparent Red B | RT-233-D | 26.00 | 28.60 | 10.0 |
| m | "Monastral" Transparent Red B | RT-246-P | 25.75 | 28.30 | 9.9  |
|   | "Monastral" Transparent Red B | RT-273-D | 26.00 | 28.60 | 10.0 |
|   | "Monastral" Red B             | RT-742-D | 22.50 | 24.75 | 10.0 |
|   | "Monastral" Red B             | RT-763-P | 19.80 | 21.75 | 9.8  |

\* Restricted sales, not on published price list.  
m Made to order.

ORGANIC PIGMENTS

Base Price \$/Lb.  
From To % Change

Quinacridone Pigments (Cont'd.)

|                               |          |       |       |      |
|-------------------------------|----------|-------|-------|------|
| "Monastral" Red B             | RT-790-D | 20.90 | 23.00 | 10.0 |
| "Monastral" Red B             | RT-796-D | 20.90 | 23.00 | 10.0 |
| "Monastral" Red B             | RW-768-P | 4.95  | 5.50  | 11.1 |
| "Monastral" Transparent Red Y | RT-218-D | 24.75 | 27.25 | 10.1 |
| "Monastral" Red Y             | RT-759-D | 19.50 | 21.50 | 10.3 |
| "Monastral" Red Y             | RT-959-D | 19.50 | 21.50 | 10.3 |
| "Monastral" Maroon            | RT-209-D | 24.75 | 27.25 | 10.1 |
| "Monastral" Maroon B          | RT-229-D | 26.50 | 29.00 | 9.4  |
| "Monastral" Maroon            | RT-792-D | 24.75 | 27.25 | 10.1 |
| "Monastral" Magenta           | RT-235-D | 27.50 | 30.25 | 10.0 |
| "Monastral" Magenta           | RT-243-D | 28.50 | 31.25 | 9.6  |
| "Monastral" Scarlet           | RT-787-D | 26.75 | 29.50 | 10.3 |
| "Monastral" Scarlet           | RW-252-P | 4.95  | 5.70  | 15.0 |
| "Monastral" Deep Gold         | YT-815-D | 27.50 | 30.25 | 10.0 |
| "Monastral" Gold              | YT-823-D | 24.75 | 27.25 | 10.0 |

Red Organic Pigments

|                          |          |       |       |      |
|--------------------------|----------|-------|-------|------|
| "Watchung" Red B         | RM-417-D | 5.25  | 5.60  | 5.5  |
| "Watchung" Red B         | RT-251-D | 6.90  | 7.35  | 6.5  |
| "Watchung" Red B         | RT-428-D | 6.90  | 7.35  | 6.5  |
| "Watchung" Red B         | RT-455-D | 6.90  | 7.35  | 6.5  |
| "Watchung" Red B         | RT-698-D | 6.90  | 7.35  | 6.5  |
| "Watchung" Red B         | RT-761-D | 6.90  | 7.35  | 6.5  |
| *"Watchung" Red B        | RT-838-D | 6.90  | 7.35  | 6.5  |
| "Watchung" Red B         | RT-867-D | 6.90  | 7.35  | 6.5  |
| "Watchung" Red B         | RT-870-D | 6.90  | 7.35  | 6.5  |
| "Watchung" Red B         | RT-880-D | 6.90  | 7.35  | 6.5  |
| "Watchung" Red B         | RW-635-P | 2.25  | 2.50  | 10.0 |
| "Watchung" Red Y         | RT-618-D | 6.90  | 7.35  | 6.5  |
| "Watchung" Red Y         | RT-841-D | 6.90  | 7.35  | 6.5  |
| BON Red Light            | RT-565-D | 7.40  | 8.15  | 10.1 |
| BON Red Dark             | RT-695-D | 7.40  | 8.15  | 10.1 |
| "Duol" Carmine           | RT-443-D | 6.90  | 7.35  | 6.5  |
| m "Naphthanil" Red Light | RT-160-P | 10.75 | 11.75 | 9.3  |
| "Naphthanil" Red Light   | RT-531-D | 11.00 | 12.00 | 9.0  |
| "Naphthanil" Red Dark    | RT-539-D | 13.75 | 14.75 | 7.0  |
| "Naphthanil" Red Dark    | RW-706-P | 3.35  | 3.75  | 11.9 |
| Parachlor Red            | RT-427-D | 7.05  | 7.90  | 12.0 |

\* Restricted sales, not on published price list.

m Made to order.



MISCELLANEOUS PIGMENTS, "AQUIS"  
DISPERSIONS AND PRESSCAKES

Base Price \$/Lb.  
From To % Change

Miscellaneous

|                                           |          |       |       |      |
|-------------------------------------------|----------|-------|-------|------|
| Carbon Black                              | A-148-D  | 4.70  | 5.20  | 10.0 |
| *Du Pont Crystal Violet<br>Extra Pure APN | CV-257-D | 5.40  | 5.40  | -    |
| *Du Pont Crystal Violet<br>Presscake      | CV-258-D | 5.15  | 5.15  | -    |
| *Fast Green PG                            | PG-760-D | 69.00 | 72.00 | 4.3  |
| Film Fortifier                            | A-133-D  | 4.30  | 4.75  | 10.0 |
| Victoria Blue                             | BT-264-D | 15.20 | 16.70 | 9.9  |

"Aquis" Dispersions

|                          |          |      |      |      |
|--------------------------|----------|------|------|------|
| "Monastral" Scarlet      | RW-252-P | 4.95 | 5.70 | 15.0 |
| "Watchung" Red B         | RW-635-P | 2.25 | 2.50 | 10.0 |
| "Naphthanil" Red Dark    | RW-706-P | 3.35 | 3.75 | 11.9 |
| "Monastral" Red B        | RW-768-P | 4.95 | 5.50 | 11.1 |
| Green Gold               | YW-613-P | 5.45 | 6.50 | 19.2 |
| "Dalamar" Yellow         | YW-718-P | 2.55 | 2.80 | 9.8  |
| "Dalamar" Yellow         | YW-731-P | 2.55 | 2.80 | 9.8  |
| "Dalamar" Yellow         | YW-811-P | 3.35 | 3.65 | 9.0  |
| "Dalamar" Yellow R       | YW-822-P | 3.35 | 3.65 | 9.0  |
| "Dalamar" Yellow         | YW-869-P | 4.25 | 4.50 | 5.9  |
| Toluidine Yellow 10G HSD | YW-928-P | 3.60 | 4.10 | 13.9 |
| "Dalamar" Yellow HSD     | YW-968-P | 4.40 | 4.85 | 10.2 |
| w "Monastral" Green B    | GW-749-P | 3.00 | 3.35 | 11.7 |
| "Monastral" Blue B       | BW-372-P | 2.65 | 2.95 | 11.3 |
| "Monastral" Blue B       | BW-431-P | 3.90 | 4.30 | 10.2 |
| "Monastral" Violet R     | RW-767-P | 4.95 | 5.50 | 11.1 |

Presscakes<sup>p</sup>

|                               |          |       |       |      |
|-------------------------------|----------|-------|-------|------|
| "Naphthanil" Red Light        | RT-160-P | 10.75 | 11.80 | 9.8  |
| "Monastral" Transparent Red B | RT-246-P | 25.75 | 28.30 | 9.9  |
| s "Monastral" Red B           | RT-763-P | 19.80 | 21.75 | 9.8  |
| "Dalamar" Yellow              | YT-810-P | 7.80  | 8.65  | 10.9 |
| "Dalamar" Yellow              | YT-839-P | 7.80  | 8.65  | 10.9 |
| "Dalamar" Yellow              | YT-840-P | 7.80  | 8.65  | 10.9 |

\* Restricted sales, not on published price list.

w To be withdrawn by year end as announced June 4, 1981.

p Presscakes are made to order, except those denoted by "s" which are stocked.

MISCELLANEOUS PIGMENTS, "AQUIS"  
DISPERSIONS AND PRESSCAKES

Base Price \$/Lb.  
From To % Change

Presscakes<sup>P</sup> (Cont'd.)

|                        |          |       |       |      |
|------------------------|----------|-------|-------|------|
| "Toluidine" Yellow 10G | YT-848-P | 5.45  | 6.30  | 15.6 |
| "Daiamar" Yellow       | YT-889-P | 7.80  | 8.65  | 10.9 |
| w "Monastral" Green G  | GT-792-P | 11.35 | 12.50 | 10.0 |
| w "Monastral" Green G  | GT-822-P | 11.00 | 11.75 | 7.0  |
| w *"Monastral" Green   | GT-826-P | 5.25  | 5.80  | 10.0 |
| w "Monastral" Green G  | GT-922-P | 11.45 | 12.25 | 7.0  |
| "Monastral" Blue R     | BT-401-P | 8.00  | 8.00  | -    |
| "Monastral" Blue G     | BT-436-P | 8.00  | 8.00  | -    |
| s "Monastral" Blue RF  | BT-442-P | 9.80  | 10.80 | 10.2 |
| "Monastral" Blue BF    | BT-455-P | 9.80  | 10.80 | 10.2 |
| "Monastral" Blue G     | BT-482-P | 8.65  | 8.65  | -    |
| "Monastral" Blue R     | BT-483-P | 8.65  | 8.65  | -    |
| "Monastral" Blue B     | BT-484-P | 10.00 | 11.00 | 10.0 |
| "Monastral" Blue G     | BT-487-P | 7.60  | 8.00  | 5.3  |

\* Restricted sales, not on published price list.

w To be withdrawn by year end as announced June 4, 1981.

p Presscakes are made to order, except those denoted by "s" which are stocked.



Chemicals, Dyes and Pigments Department  
REQUEST FOR PRICE ADJUSTMENT

CC: Attachment 2

DISTRICT: All C&amp;P Districts

SALES REPRESENTATIVE:

DATE:

SUPERSEDES RPA/OSPN DATED:  
PERSONS INTERVIEWED & TITLE:

SOLD TO:

CUSTOMER: All Du Pont U.S. Colored Pigment  
customers

SHIP TO:

ADDRESS:

CITY &amp; STATE: United States

PRODUCT:

QUANTITY DIFFERENTIALS: STANDARD ☒ OTHER ☐

CODE:

NATIONAL ACCOUNT BILLED AT SCHEDULE ☐CONTAINER TYPE: BAG ☒ DRUM ☒ BULK ☐SHIP MODE: T/C ☐ T/T ☐ C/L ☐ T/L ☐ LTL ☐ OTHER ☐TYPE PRICE ADJUSTMENT: CONTRACT ☒ OPEN MARKET ☒ RPA ☒ FT. EQ. ☐ NEG. ☐ BID ☐ SCS ☐  
TERMS ☐ OTHER ☐TYPE SALE: CONSUMER ☒ DIST. WHSE. ☐ DIST. 3RD PARTY ☐

SHIP POINT: Edison and Field Warehouses

FRT. PAYMENT: COLLECT ☐ PREPAID ☐

F.O.B. Ship point; freight prepaid and allowed

APPLICABLE FREIGHT: N/A

RPA PERIOD: FROM 8/3/81

TO 10/3/81

PRICE TO SHOW ON INVOICE \$ see appli. RPA

VERBALLY APPROVED BY:

to:

Date:

PREVIOUS PRICE \$

NET \$

NEW PRICE \$

NET \$

SCHEDULE PRICE \$

NET \$

(P.S. NO. \_\_\_\_\_)

## COMMENTS/SUPPORTING INFORMATION

Experience indicates new schedule prices will not be attained for up to 60 days. To eliminate an administrative burden of rewriting and reapproving approximately 200 RPA's or losing volume to competition, we are initiating a Temporary Voluntary Allowance (TVA) extending existing RPA's 60 days beyond August 3, or until the present expiration date of the RPA, whichever is sooner.

\*SALES PAST 12 MONTHS

\*EST. ANNUAL REQ.

\*ANNUAL SALES EXPECTED IF APPROVED

\*IF NOT APPROVED

APPROVED N/A

District Manager Or Assistant

APPROVED N/A

District or Programs Manager

APPROVED

Product Manager

APPROVED

Marketing Manager

AUTHORIZED

Director

DUP050071026

N42126.02

BACKGROUND INFORMATION

General

Price increases are seldom welcomed by customers especially in times of soft demand, costly government regulations, and declining profit margins. The following are facts about the colors business that should help you sell the need for price increases.

- o Our profit margins are continuing to decline because selling prices have not recovered raw material and energy cost increases.
- o Lead chromate demand and volume is declining, yet mandated environmental regulations continue to require large investment dollars which must be amortized over fewer production units.
- o Cost containment programs are producing positive benefits, but are unable to stem the need for price increases.

Considerable press coverage has been given to declines in crude oil prices, both domestic and foreign. These modest declines are reflected in the spot market, not purchase contracts. Short range we believe raw material, especially those of petroleum derivatives, will continue to increase as suppliers try to return margins to previous levels. Longer range, due to decontrol, crude oil prices will rise faster than inflation until late in the century when new alternate energy capacity should be available.

We will continue to meet selective competitive price situations to maintain desirable business volume. RPA's should be submitted when justified.

Chrome Yellow, Moly Orange and Zinc Yellow

Costly mandated improvements for environmental decontrols, resumption of lead price increases and reduced industry demand continue to reduce profit margins. These costs cannot be absorbed and must be passed on to customers.

Krolor®

Krolor® prices are based on value-in-use versus cadmium pigments including the need to compensate for Krolor® Pigment's lower heat stability. Accordingly, Krolor® Yellow is not increased and Krolor® Orange will increase 7.4%. We encourage you to promote Krolor® Red KR-981-D over KR-980-D and Cadmium Reds.

Quinacridone

Increases averaging 10% cover higher costs of intermediates, distribution, labor and energy costs. Domestic automotive customers will have 1982 model year price protection based on current prices (price list 103) and are not affected by this increase. These August 3, 1981, increases may not be presumed to apply to the 1983 automotive model year.

Toluidine and Dalamar® Yellows

Increases are 15% and 10%, respectively. Intermediate, energy and distribution costs have increased faster than selling prices and profit margins have been inadequate.

Green Gold

Increase is about 20% reflecting significantly higher raw material costs and better definition of plant costs for manufacturing these difficult-to-produce specialty products.

CPC-Green

Increases average 9%. The seven products we are phasing out by year end 1981 are being increased 7%.

CPC-Blue

Selectively, increases range from 0% for presscakes to 10% for specialty products. Average increase is 6%, reflecting extremely competitive market conditions. Cost increases are not being recovered placing further pressure on margins.

"Watchung"

Increase is 6% reflecting higher intermediate, energy and distribution costs.

# COLORED PIGMENT COST INDICES

