

# LOLLICUP® USA, INC.

Manufacturer & Supplier of Premium Beverage and Disposable Food Service Products

## Memorandum

To: All Customers  
From: Operations  
Date: 8/10/18  
Re: **Section 301 Tariffs & Price Increases**

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Dear Valued Customers,

As you may already know, on August 8, 2018, the Office of United States Trade Representative (USTR) announced a 25% additional tariff on PP & PLA straws. Additionally, the cost of labor and raw materials has continued to rise this year. Both unavoidable circumstances will significantly increase our costs. We understand this is a difficult time; however, to ensure we provide our customers with quality products despite any industry changes, Lollicup intends to absorb much of the costs and subsequently impose minimal price increases.

Please refer to the following product categories and percentage increases effective September 1, 2018:

Product Category	% increase
PP & PLA Straws	average 15%
PET & PP Lids for Food Containers	3-5%
PP Lids for Deli Containers	3-5%
Injection Molded Deli Containers with Lids	3-5%
Compostable Sipper Dome Lids for Eco Hot Cups	5%
PLA Lids for PLA Cold Cups	3-5%
9" x 9" Beverage Napkins	4-6%
12.5" x 8" Dispense Nap	6-8%
Individually Wrapped PP Utensils	2-4%

While the above list is what is confirmed as of today, we do anticipate another USTR tariff increase announcement soon with more Foodservice products to be affected. We thank you considerably for your understanding and continued support of our Lollicup® USA Inc. brands. If you have any questions regarding price increases, please contact your Lollicup Sales Representative.

Best Regards,



Joanne Wang  
VP of Sales & Operations