

October 21, 2020

**To: Valued Customers**  
**From: Mike Rutherford**  
**President**  
**Rutherford Equipment, Inc.**  
**Re: Information on possible product delays due to COVID-19**

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I hope that your families and businesses are doing well during the pandemic. There have been many situations that have affected our businesses during this time, some negative and thankfully some positive. We have had to learn to be flexible and ready to adapt to unforeseen circumstances that affect our everyday life. Families are staying home more and not visiting restaurants as frequently, which has caused the demand for grills and outdoor living products to skyrocket. This has been a blessing for our industry but has also caused shortages due to the increased demand. We are experiencing delays due to supply issues and reduced staffing due to COVID-19. I would like to review some of the challenges that we are experiencing now, and some we expect to see this fall. I hope this information will help, so that you can be best prepared for the upcoming heating season.

**Possible Shipment Delays** - We have been notified from our freight carriers to expect shipments to take longer than usual to arrive this fall and winter due to increased demand (partly due to the increase of e-commerce business during the pandemic) as well as a reduction in drivers.

**Product Shortages and other Supply Issues** - We have experienced delays in receiving our stocking orders from the manufacturers due to reduced staffing as well as logistical issues. We have worked to alleviate this issue by increasing our inventory going into the season when possible. However, we are expecting longer lead times than typical.

**Increases in Shipping Costs** - We have experienced increases in freight costs from the ground and LTL carriers. We are working with them to negotiate our rates to offer the lowest shipping rates possible. However, we must evaluate our shipping programs due to the increases we are incurring and will adjust our freight programs if needed.

**We expect to see these issues to continue this fall and winter. We are working to alleviate these issues so that we can get you the products you need when you need them. We have focused on increasing inventory to avoid depending on the manufacturers and freight companies in-season. If you have considered stocking inventory of your most popular products, this would be the year to do it. If it is possible to send purchase orders or forecasts for future jobs as earlier as possible, please do so. It will help us do the best job we can to have the products available when you need them.**

Thank you for your business and support. Please do not hesitate to reach out to us to discuss how we can work together to overcome these obstacles and take advantage of the increased demand. We look forward to a great heating season.

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