



675 North Washington Street, Suite 275, Alexandria, VA 22314 • 571-206-8803 • 703-298-4171

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April 2, 2020

His Excellency Taranjit Singh Sandhu  
Embassy of India  
2107 Massachusetts Avenue, N.W.  
Washington, D.C. 20008

Dear Mr. Ambassador:

We are writing to urge the government of India, as part of its efforts to contain the spread of the COVID-19 disease, to identify the country's Castor industry as essential to sustaining public health and the safety of communities, economies and governments everywhere. We would like to use this opportunity to request, as an initial step during this unprecedented public health emergency, that critically needed supplies of Castor oil derivatives being temporarily stored at ports in Mumbai and the State of Gurajat be approved for immediate export before the shipping of non-essential items is permitted to resume.

Together, our three associations represent manufacturers of lubricants and greases whose products are sold and distributed around the world. Our members' operations in the United States have been deemed "critical" and "essential," and are producing a wide array of petroleum and chemical-based products to ensure the uninterrupted sustainability of critical infrastructure sectors here and abroad during the COVID-19 pandemic.

NLGI has an active chapter in India, and it has requested special dispensation from the Ministry of Home Affairs for the Indian grease industry to continue to serve Indian and global supply chains. As you probably know, India is the largest producer of Castor seeds and accounts for over 80% of the global production of Castor oil and makes over 95 percent of the derivatives used by our members in manufacturing greases. Annual U.S. consumption of Castor oil derivatives for grease production is about 40 million pounds, with our industrial sector representing 23 percent of overall Castor use.

We are mindful of your government's necessary efforts to mitigate and stop the spread of the novel coronavirus and the difficult choices it has presented. However, the sustained shutdown of the Castor industry in India will interrupt necessary grease supplies to global critical infrastructure sectors. Here are examples of how interruptions in grease supplies will affect U.S. and global critical infrastructure sectors:

- In the medical field, grease is used in servo motors and air compressors critical to producing ventilators and other medical devices with moving parts. Grease is also used to maintain drug manufacturing production lines that already are running at full capacity, producing medications for fighting the global pandemic.
- In agriculture, grease is essential to operate the large equipment that plant seeds and harvest crops.
- Greases are essential to maintaining conveyor operations in most food processing plants, as well as bottling plants and those with ovens and/or blast freezers.
- Rail and highway transportation depend on greases to move goods and products to market.
- Mil-spec greases are used on military trucks, helicopters, and airplanes mobilized to provide support services for COVID-19 responses.

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Our members' current inventories of Castor oil derivatives, along with pending imports from India, will determine how long they can continue producing greases necessary for critical infrastructure sectors during the current COVID-19 pandemic. Based on estimates from our members, a 45 to 60-day supply of finished greases currently exists in retail and industrial channels. Under the best scenario, backlogs of shipments of Castor oil derivatives from Indian ports mean that needed Castor oil derivatives likely will not land in the United States, at the earliest, until late May or early June, meaning that supply chain disruptions to the critical infrastructure sectors will occur.

We have requested that the United States government work with the Indian government to permit the immediate shipment of Castor oil derivatives temporarily stored at Indian ports while the issue of reopening the Indian Castor industry is being considered.

Our associations are available to assist you and the Embassy staff.

Sincerely,



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April 2, 2020

The Honorable Wilbur Ross  
Secretary of Commerce  
U.S. Department of Commerce  
1401 Constitution Avenue, N.W.  
Washington, D.C. 20230

The Honorable Michael Pompeo  
Secretary of State  
U.S. Department of State  
2201 C Street, N.W.  
Washington, D.C. 20520

The Honorable Lawrence Kudlow  
Director  
National Economic Council  
Room 235  
Eisenhower Executive Office Building  
Washington, D.C. 20502

Dear Secretary Ross, Secretary Pompeo and Mr. Kudlow:

Together, our three associations represent U.S. manufacturers of lubricants and greases whose products are sold and distributed around the world. Our members' operations have been deemed "critical" and "essential," and are producing a wide array of petroleum and chemical-based products to ensure the uninterrupted sustainability of critical infrastructure sectors here and abroad during the COVID-19 pandemic.

We want to bring to your attention a rapidly emerging situation that will interrupt needed grease supplies to these critical infrastructure sectors. Approximately 450 million pounds of grease were manufactured in the U.S. last year, and roughly 90 percent of this volume was dependent on Castor oil derivatives as a key ingredient (i.e., grease thickener). Annual U.S. consumption of Castor oil derivatives for grease production is about 40 million pounds, with our industrial sector representing 23 percent of overall Castor use.

India is the largest producer of Castor seeds and accounts for over 80% of the global production of Castor oil and makes over 95 percent of the derivatives used by our members in manufacturing greases.

Major Castor seed growing states in India are Gurajat, Rajasthan and Andhra Pradesh, with Gurajat leading in the production of Castor oil derivatives. The overwhelming majority of exports of Castor oil derivatives to the U.S. go through ports in Mumbai and Gurajat.

The Indian government's general lockdown, at least through April 14, 2020, to contain the spread of COVID-19 disease has shuttered the country's Castor industry, including hydrotreating facilities processing farmers' Castor seeds, and will have global effects. We understand that Indian ports are closed and have been allowed to declare force majeure on pending Castor oil derivatives exports.

The consequence is that our members' current supplies of Castor oil derivatives, along with Indian exports that may already be on the high seas, will determine how long they can continue producing greases necessary for critical infrastructure sectors during the current pandemic. Based on estimates from our members, a 45 to 60-day supply of finished greases currently exists in retail and industrial channels. There is "panic buying" of greases by industrial customers, so inventory estimates may be optimistic. Even if the Indian government allows the Castor industry to resume operations immediately, backlogs at shipping ports will create distribution issues, meaning needed Castor oil derivatives likely will not land in the U.S., at the earliest, until late May or early June.

Here are examples of how interruptions in grease supplies will affect U.S. and global critical infrastructure sectors:

- In the medical field, grease is used in servo motors and air compressors critical to producing ventilators and other medical devices with moving parts. Grease is also used to maintain drug manufacturing production lines that already are running at full capacity, producing medications for fighting the global pandemic.
- In agriculture, grease is essential to operate the large equipment that plant seeds and harvest crops. The next few months are the critical planting season in the U.S., which impacts the global harvest.
- Greases are essential to maintaining conveyor operations in most food processing plants, as well as bottling plants and those with ovens and/or blast freezers.
- Rail and highway transportation depend on greases to move goods and products to market. Without greases, truck drivers are not able to grease fifth-wheel couplings every time they drop and pick up a trailer.
- Large quantities of grease are needed to maintain equipment used to mine and process minerals into steel and aluminum, and lubricate the valves and supporting equipment in oil and gas production wells.
- Mil-spec greases are used on military trucks, helicopters, and airplanes mobilized to provide support services for COVID-19 responses.

We request that appropriate efforts be taken by the U.S. government with the Indian government to permit the immediate release and export of critically needed Castor oil supplies. These supplies should be given priority to ship before the Indian ports begin clearing backlogs of non-essential goods. Resumption of the Castor industry in specific Indian states will enable global supply chains, including our members' greases needed by critical infrastructure sectors to operate machinery and equipment.

Our associations are available to assist in any way.

Sincerely,



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