

Seller Beware: COVID-19 May Cause Distribution Roadblocks

Companies should brace themselves for likely coronavirus-related delays in their own distribution chains for the foreseeable future. Some companies may find that even though they have available products to sell, the typical avenues to get those products to market are temporarily blocked or even closed.

For example, Amazon has had to adjust its shipping and fulfillment policies in response to a significant increase in online shopping. Companies that fulfill or ship products through Fulfillment by Amazon should expect shipment delays if the products fall within Amazon's definition of "nonessential." Amazon announced on March 17, 2020, that it was suspending shipments of all nonessential products to its warehouses through April 5, 2020, to deal with increased demand and workloads caused by the coronavirus outbreak.

Specifically, Amazon stated it will only accept shipments of "household staples, medical supplies and other high-demand products" to its warehouses. Amazon followed up with sellers to indicate that it will prioritize shipments of baby products, health and household products (including personal-care appliances), beauty and personal care products, groceries, industrial and scientific products, and pet supplies.

According to Amazon, online sellers can still use Amazon's Seller Fulfilled Prime program to ship products directly from their own warehouses, which still provides the exposure and Prime eligibility for their products. Amazon also will still ship nonessential products to consumers, but it will likely be outside the two-day window Amazon Prime customers expect – perhaps even far outside that window.

In light of these types of expected delays, now is the time to review your distribution agreements and terms and conditions, and be prepared to look at other available resources if a distribution avenue is temporarily blocked or even closed.

Contact Reinhart's [Commercial and Competition Law Group](#) if you have questions or concerns about your company's distribution methods, including anticipated delays in product fulfillment or shipment due to Coronavirus-related issues.

Please visit Reinhart's [Coronavirus Resource Center](#) for additional up-to-date

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information.

Here is the full statement from [Amazon](#).

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