



March 3, 2021

To: All Valued Customers

Re: Ocean Freight rates effective May 2021 to April 2022

We have received the first offer, not final, from a very respected carrier in the industry. They proposed the new rate for port to port (not door delivery) to increase 155% from previous year contract. It is scary and disappointing. We expect rates from other carriers to be similar.

The proposed new increased rate from Shanghai – LA will affect different products based on their density – cases per container highlighted below:

- 5,200 cases per container \$.45/case
- 3,000 cases per container \$.80/case
- 2,200 cases per container \$1.04/case
- 560 cases per container \$4.29/case (mostly straw)

When all offers are finalized in April, any containers shipped on May 1<sup>st</sup> and thereafter will be at the new rates. We also anticipate the East Coast rates will rise just as well, about the same or could be more.

The good news is Nutri-Bon will keep all current prices for orders placed in March and April to arrive in May and June. However, all orders are subject to confirmation depending on available shipping space.

We will send out final pricing in April to be in effect July 1<sup>st</sup>, typically affects the orders placed in May.

Nutri-Bon does not anticipate the tightness in shipping space and transit time to be improved much until early July of this year. So, please expect uncertainty of delivery schedule.

Thank you.

Nutri-Bon Distribution Co., Inc.

Peter Tansavatdi