

# **Nutri-Bon** Distribution Company Inc.



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June 7, 2021

To: All Nutri-Bon Valued Customers

Re: Price Increase

In March, 2021, the company sent out a memo regarding ocean freight rate to increase in May. Nutri-Bon completed signing 6 contracts (6 Carriers), the overall rate increase from 2020-2021 was \$2,500 per 40' (from \$ 1,800 to \$ 4,300) high cube container from Shanghai to Los Angeles, and same for other destinations.

Spot Market - Because of available shipping space, the spot market has gone even higher, Shanghai - Los Angeles destination is now \$ 7,000 – 8,000 per 40 container. Nutri-Bon, will from time to time, be using the spot market to meet its commitments. The premium may or may not be passing through but excluded from our proposed rate increase.

In general, the rate increase affects the following products: MW (5,000 cases/container) \$.45 - \$.50 per case, heavy weigh \$ 1.00/case, and all meal kits \$ 1.00 per case. All new price will become effective beginning July 1 delivery regardless when the orders were placed. The new "Price List" for each customer has been sent in separate cover.

Shipping space – We do not anticipate the shipping to improve in the immediate future, it will get worse before getting better. Adding already very congested at many Ports, another bad news is that many of our contract carriers would not service Oakland and Seattle Ports - diverting to LA – Long Beach Ports. The closure not just affects Northern California services but other locations a swell: such as Seattle, Denver, Idaho, Salt Lake City. More additional cost increase to come.

Thank you for your continuing supports.

Nutri-Bon Distribution Company