



Lassonde

LASSONDE PAPPAS
AND COMPANY, INC.

To: Our Valued Customers
From: Howard B. Veltman
Date: June 30, 2021
Subject: Apple & Eve, Old Orchard Supply Disruption

Dear Customer,

Global supply chains have seen unprecedented and unpredictable shifts since the Covid-19 pandemic began over a year ago. For the past several months, the vessels, ports and trucks/rail supporting cargo logistics have been stretched beyond their capacity. Lassonde has been working tirelessly to maintain supply for our customers but we are unfortunately not immune to these global issues.

Among these global issues are container transit times, which have been longer than normal expectations and unpredictable. Most inbound container deliveries are arriving to US ports several weeks behind schedule due to routing changes to vessels, or blank sailings – where vessels skip ports altogether.

This has created significant hurdles for Lassonde on major global commodities, particularly apple juice concentrate. While we have contracted supply agreements, ensuring that product is shipped and delivered on time continues to be a hurdle. And, while we have a global network of supply, the logistical delays have made supply continuity very difficult.

As a result of these factors, we are calling risk to your 100% juice business, beginning in mid-July, and spanning at least through August. This may impact our brands: Apple & Eve, Old Orchard, Northland, Switch and Ruby Kist. As you assume, we have attempted to proactively build inventories, however continued delay on deliveries have challenged these efforts. We believe this situation will be temporary as we have executed logistical strategies that fortify our supply position in September but we also have to acknowledge that a high level of global logistical uncertainty persists. We are currently working on an allocation program that our sales team will finalize over the coming days, but we wanted to share as much information as we could as quickly as possible. The team will follow-up with more details, as well as potential gap-solve solutions.

We appreciate the support of our customers and partners during this time, and as always, we thank you for your business.

Kind regards,

Howard B. Veltman
President, Lassonde Brands USA