

September 22, 2023

Dear Valued Customer,

On behalf of the entire Bigelow Tea Company, we again want to thank you for your valuable partnership. As a women owned, 3rd generation, U.S. based, family company, our successful philosophy has always been to deliver the highest quality product at the lowest possible price. This quality-value philosophy is important to us and is why we continue to do everything we can to mitigate and offset the unprecedented cost increases our tea company has experienced over the last three and a half years. Unfortunately, the increases have not abated which is why a further price increase is necessary.

We do not take price increases lightly, which is why this will only be the second price increase Over the past three and a half years. Over that period our costs have increased by over 20% driven by a:

- 21% increase in tea and ingredient costs
- 20% increase in packaging costs
- 33% increase in labor rates (inflation, labor shortages and minimum wage increases driving up wage rates)
- 50+% increase in per pallet outside warehousing costs
- 50+% increase in distribution costs to service this channel (fuel increases, driver and equipment shortages, DOT regulations)

As a result of the cost increases noted above, effective December 2, 2023, Bigelow Tea will be implementing a price increase on our Signature product line (some of our other product lines will receive a different increase). We will continue to evaluate all costs, work diligently to find suitable alternative quality suppliers and continue to examine all our spending for effectiveness. We will maintain the same quality-value proposition, while doing everything we can to keep our customers in stock.

Thank you for your partnership and continued support of our family company.

Regards,

Christopher Costello
VP, Sales & Marketing

