

November 27, 2020

Dear Valued Customer,

Please be advised that Saputo Dairy Products Canada G.P. will be implementing a National Price Increase on all products effective February 1, 2021. This price increase is based on the announcement made by the Canadian Dairy Commission (CDC) on November 2, 2020.

As stated in the [CDC Announcement](#), various factors such as the COVID-19 pandemic, have contributed to this year's farm gate milk price adjustment. Therefore, the milk price paid by dairy processors will increase by 2%. The CDC has also recognized a 2% increase in butter processing costs in the context of its storage programs.

This increase does not factor other inflationary manufacturing costs such as the global rise of ingredient costs since February 1, 2020, increases in warehousing and logistics costs, overall increases in manufacturing (labour, energy, packaging, Food Safety), capital reinvestment as well as new Health & Safety measures implemented due to the pandemic.

As mentioned in the CDC announcement, it should also be noted that the consumer price index for dairy products has risen by only 2% since 2015, whereas the consumer price index for food in general has risen by 10%.

Over the coming weeks your Saputo Sales Representative will provide you with the details and specifics of these adjustments to your price plans which will be effective February 1, 2021.

Your business is valued and appreciated, and we will continue to work diligently to supply you with the quality products and service that you have come to expect from us.

Sincerely,

Elio Mascitelli, CPA, CA
Regional Vice President