



A MESSAGE FOR OUR CUSTOMERS

Friday, March 20, 2020

Thank you for your support, your patience, your flexibility, your collaboration. Thank you for your feedback and questions, and for helping us understand your needs as they evolve daily amidst these unprecedented times with the COVID-19 situation. Our teams are acting quickly, being creative, and making adjustments as new developments occur.

The team at Four Seasons Family of Companies is taking the risk of the Coronavirus very seriously. We know our responsibility as an essential service is to do everything we can to keep all of us safe and healthy in order to provide food to the region. Our associates are working very hard and we know you are too.

Communities are relying on neighborhood food retailers like you. Four Seasons Produce is committed to helping our partner customers keep the fresh food moving... not just for a few days of consumer "panic buying," but also for the long-haul. The supply chain disruption and capacity issues are very real, but we will navigate them together.

Updates on what we're doing:

1. Aggressive steps in social distancing, sanitation, hygiene based on official guidance continue as we operate 24/7.
2. Efficiency and simplification measures are being taken to create more shipping/receiving/delivery capacity to support customers.
3. Contingency plans and arrangements are being made in the event that temporary workers and drivers are needed.
4. Temporary benefit and policy adjustments have been made to support our associates and their families.

Collaborative requests:

- Please be mindful of our dedicated **Delivery Drivers**. Let's protect one another from unnecessary exposure with 6-8' of social distancing and by allowing drivers to drop the order without an extended check-in process. Sign the bills with your own pen and let them get to the next stop. Our customer reps can help you manage discrepancies.
- Discuss **ordering strategies** frequently with your sales rep and merchandiser to maximize efficiency and be nimble. The supply chain for grower/shippers, producers, distributors, and retailers will continue to be strained – so flexibility and communication will be paramount.

FAQ's:

Will promotional activities continue?

Yes, we are continuing to honor all existing ad circular pricing and contracts, however fill-rates may be a difficulty. Our intent is to keep quoting future ads and promos for our partner retailers, but it will be tricky and fraught with risk as the supply chain is in chaos, demand is uncertain, and growers worry about having enough labor. We'll do our best to help you continue to find value to offer your shoppers.

If grower/shippers issue "Act of God" clauses on contracts or if certain producers temporarily suspend off-invoices or ad activities we'll pass that information along to you. We hope to resume daily deal sheets the week of 3/23 too. Some display contests are temporarily in flux due supply issues caused by COVID-19 demand, but we'll keep you posted on that too. Creativity and flexibility will be key as we work together to find promotable items. Stay tuned for further developments.

Will there be caps on daily orders?

When there was a run on food retailers starting 3/13, we were forced to cap order volumes so as not to let the operation get completely overwhelmed and disrupt future shipping. Our teams are working to expand capacity and open up even more volumes for our loyal partner customers. We're reviewing the situation daily and will implement order volume caps only as needed.

Pre-built mixed skid and full-pallet deals are options to get more volume when our case selection capacity is at it's limit. Ask your sales rep or merchandiser for more info.

As the situation evolves, we'll keep you updated on any changes or new developments that can help us all keep fresh food moving, safely. Thank you for your partnership!

With appreciation,
Four Seasons Produce, Inc.

PRODUCT IMPACTS

The impacts of COVID-19 are creating ripple effects far and wide, and the situation continues to evolve daily. Here are some topics to be aware of as of 3/20/20:

- Staples are in demand and consumers are grabbing bagged product at stores. Meanwhile the foodservice industry is virtually at a standstill. The demand for bagged potatoes and carrots far outpaces the capacity right now. IMPACTS/IDEAS:
 - Expect lower fill-rates on bagged Potatoes for the coming weeks, but there will be opportunities to buy bulk 50lb cases originally destined for foodservice which could be sold by the pound in totes at your store.
 - Grower/Shippers like Cal-O/Grimmway, AV Thomas/Natural Beauty, and others are reducing “value-added” and specialty packs like carrot chips or microwaveable sweet potatoes to focus on producing their core staple items. Make display adjustments accordingly.
 - Salad and Cut Veg Producers like Taylor/Earthbound and Olivia’s Organic others are temporarily reducing SKUs to focus on their best sellers; others like Fresh Express simply cannot keep up with demand due to worker attendance issues which is creating many gaps in supply.
 - For efficiency sake and fill-rate, many national retailers are focusing their procurement on the staple items and best sellers.
- Weather has not been cooperative out West with heavy rains as veg crops wrap up in Arizona and transition to California, and California citrus growers are in trying to harvest their late varieties. Prices on many of these staples are up due to lower supply.
- Across the supply chain, available labor on the farm, in production plants, with truck carriers, and warehouses will be something to watch as COVID-19 spreads. Every part of the supply chain is working to keep food moving, safely.
- Conventional Produce supply, in general, has been more available than Organic. Foodservice demand which relies more on Conventional has dropped drastically, freeing up more product. With Organic, the supply chain is even more strained.

Check out the United Fresh Produce Association Coronavirus Consumer Resource Page:

<http://ow.ly/H8a950yRdg0>

The screenshot shows the United Fresh Produce Association website. The header includes the United Fresh logo, a search bar, and links for SIGN IN and CONTACT. The main navigation menu on the left lists: EVENTS & PROGRAMS, MEMBERSHIP, ABOUT US, ADVOCACY, FOOD SAFETY, and NUTRITION. The main content area features a breadcrumb trail: UNITED FRESH / WHAT'S FRESH / RESOURCES / CORONAVIRUS: CONSUM... Below this is a 'RESOURCES' section with the title 'CORONAVIRUS: CONSUMER RESOURCE PAGE' dated MAR 16, 2020. The text states: 'During these extraordinary times, the fresh produce industry remains committed to keeping fresh produce moving to millions of consumers across the United States and around the world. The fresh produce industry is truly an essential part of the public health infrastructure and remains committed to continuing to grow and bring food to consumers.' A highlighted link reads 'THE PRESIDENT'S CORONAVIRUS GUIDELINES FOR AMERICANS'. On the right side, there are promotional banners for 'Coronavirus/ COVID-19 Resources', '2020 CONVENTION & EXPO Make Waves in San Diego REGISTER TODAY', and 'SALES TRAINING'.