



DIAMOND CRYSTAL SALES, LLC

Date: September 7, 2021
To: Indianhead
From: Peter Reid – VP Corporate Accounts/Broadline
RE: Service Issues – Bremen GA facility

Diamond Crystal Brands has continued to experience service level issues related to our Bremen GA plant with liquid portion condiments.

These issues have been caused by three main factors:

1. **Competitive Repositioning** – Many of the manufacturers in the liquid condiment category have a sizable retail presence. Many of those manufacturers have moved their focus to retail. This has put greater pressure on production in this category.
2. **Labor Pressure** – While we have made progress, we are still feeling pressure against our labor resources. The community surrounding our Bremen plant has several industrial sites all vying for the same workforce and at the same time we look to supplement our staff to meet current demand. We are continually reviewing our compensation and benefits package to assure we are competitive to attract and retain team members in the current market.
3. **Raw material**- There is a worldwide shortage on several raw ingredients that we have been allocated on. The new crop on starch will not be processed for another 60 days.

These factors have affected all subcategories of portioned condiments including: Jellies, Sauces, Syrups, Ketchup, Peanut Butter, Mustard, salt & pepper and Mayonnaise. It has affected these subcategories in both cup and pouch production.

While we do not foresee these issues affecting us in the long term, we believe they will affect our service levels through October.

We would love nothing better than to sell you every case of product you order from Diamond Crystal Brands. That said, we respect our relationships with our customers enough to be honest with you and let you know that you may want to augment your supply of liquid portion condiments.

Our operations team remains committed to product safety and quality as we work our way forward and quickly return to the high level of service you have come to expect from Diamond Crystal brands

We apologize for any disruption in supply this may cause. Our goal continues to be the most dependable supplier of high-quality products in the industry.

Thank you

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