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Force Majeure: Price Adjustments due to COVID related production, supply chain, freight, and labor costs

October 19, 2021

Katie Rogers, MS, RD Rogers K12 Consulting West Indy Coopertive

## Katie,

Klosterman has continued to monitor the commodity prices, particularly wheat, soybean oil, and energy. The entire bread industry remains under attack by increasing ingredient prices. Unfortunately, Klosterman is not immune from the factors impacting raw material prices and as a result, it is necessary for us to pass along the cost of these increases. Effective January 1, 2022 we will passing along a 10% price increase to the current 2020-2021 bid contract. This will effect both Bids #2 & #3.

We will continue to monitor the commodities marketplace. As factors change, please be assured that Klosterman will take the appropriate steps to maintain competitive pricing. We appreciate your continued support of Klosterman Baking Company.

Sincerely,

Jon Prues Account Executive Klosterman Baking Company