



March 29, 2021

Dear Valued Customer,

Spring certainly is upon us and while we are excited to see such strong demand already this year, we are also experiencing challenges with third party freight supply and cost, as are most industries across the country. It has significantly impacted the cost of outbound freight delivery to many locations we ship to.

With the increase in costs, we now find ourselves in the difficult position of needing to pass along a portion of the additional charges on orders shipping via third party carriers in the form of a surcharge. Orders shipping on our Skagit Horticulture trucks will not be subject to any additional charges.

We make every effort to use our own fleet of trucks whenever possible to avoid unnecessary added charges, however the high-volume outgoing shipments in spring make it necessary to use third party carriers to get all orders delivered to customers in a timely manner.

Effective for orders shipping on or after Wednesday 3/24 Skagit Horticulture will be implementing a freight surcharge of 15% of the cost of freight in addition to the standard freight for orders shipping via our third-party carriers.

For example: A \$2000 order with \$400 freight would have an additional surcharge of \$60.

We will reduce or cease this surcharge if rates fall back into previous ranges. We understand the impact these charges have and will work to eliminate them as quickly as possible.

If you participate in our pre-pricing program and feel you may need to revise your Retail Prices for 2021, please let your account manager know and we will work with you to update them by April 2nd.

Thank you for your continued confidence in Skagit Horticulture and for your understanding during this time of challenge in transportation resources.

Sincerely,

Scott Crownover
President and CEO

