

THE Gerson Companies

GERSON INTERNATIONAL • LONE ELM STUDIOS • EVERLASTING GLOW • GG COLLECTION • STERLING TREES
GARDEN MEADOW • UNIVERSAL SUNRAY/TETERS FLORAL PRODUCTS

Voted Top 5 Seasonal Vendor by giftBEAT

Industry Update - June 17, 2021

Dear Customers,

Due to the 321% increase in ocean freight (\$3,800 last year to \$16,000 currently), The Gerson Companies is implementing a 7.75% surcharge on all invoices for orders shipping on July 1 or after. Although many companies in our industry added a surcharge several months ago, we delayed this as long as possible, but can no longer afford to absorb the entire freight increase. In addition to the onerous ocean freight increases from the shipping carriers, prices for many raw materials used in manufacturing our products have increased up to 70%. The Gerson Companies will continue to absorb 100% of the increased manufacturing costs, but we do not have the ability to absorb the unprecedented shipping cost increases. The increase in shipping cost to us is much greater than 7.75%, and we are sharing in this additional cost.

As a cost plus business, our company prides itself in offering the lowest prices in our industry, which we feel is still accomplished with the 7.75% surcharge. This increase is based on where freight rates are today, and we have not built in any potential future increases. Our sincere hope is that we will not be coming back and increasing again. We do not take this lightly.

We apologize for this message, and will work hard to limit the time this surcharge will be in place.

If you any questions, please feel free to email any questions to cs@gersoncompany.com

Sincerely,

The Gerson Companies