



July 17th, 2017

To: All of our valued Canadian Brokers, Distributors, and Customers
From: Tammy Sloan
Subject: **Califia Farms quality complaints**

We've identified a quality issue that could affect the texture and taste profile of select lots of Canadian 48oz Coffee and 48oz Almondmilk items.

Background & Root Cause

- Over the past few months we've been upgrading plant capacity with several new machines; the result is an increase of more than 30% in manufacturing equipment
- The scale of manufacturing equipment upgrades resulted in a slight variance to our product stability; this has required fine-tuning of our process in order to correct

Action

- We implemented more rigid stability & stress testing for all products coming off the line
- We implemented additional quality holds to ensure all product is stable and texture meets expectations

Outcome

- We haven't observed any separation issues in our most recent production runs

Thank you for your support and understanding. We take our promise of excellence in taste, texture, and overall quality very seriously. If you have any questions or concerns, please reach out to your sales representative or our customer service team at 213-694-4747 Option 1.

Sincerely,

Tammy Sloan
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