

February 2008

Howdy from Blue Dog Bakery

In all my years in business, I have never faced such tough choices in controlling costs.

As you may be aware, the sky rocketing cost of commodities has hit an all time high and is greatly affecting food manufacturers. International drought, crops converted to bio-fuel, scarcity of ingredients and high exports due to an extraordinarily weak dollar have created the perfect storm. On top of this you add the highest ever fuel costs.

Because we use the highest bakery quality wheat, oil and dairy products, we have been hit particularly hard. We have experienced (5) cost increases in commodities during 2007 alone, three of them since November 15th, totaling more than 26% increase in raw materials costs.

We have fought hard to shave other costs, to improve efficiencies and to save wherever possible, but it is not enough.

Beginning in March we will drop the weight of our boxes of PB & Molasses and MORE Flavors - assorted treats to 20 oz rather than increase our prices and have the stores push your costs to over \$5.50 a box or higher.

With this in mind, you may want to buy up a supply of 24 oz treats now while you can. It will take some stores several weeks to go through their supply of these larger boxes in the warehouse before the 20 oz boxes make it to the shelf.

We do everything we can to keep the cost of our dog treats down while never compromising on the quality of our ingredients. We hope this "perfect storm" will pass soon.

Best always, Margot



NEW LIVE WELL SUPER PREMIUM PB DOG TREATS HITS THE STORES!!

This new PB treat starts out with our PB & Molasses recipe and adds tons of antioxidants - apples, carrots, sweet potatoes, flax seed, broccoli, spinach, parsley, barley flour etc. It is a great tasting treat that is great for your dog and, as always, is **LOW FAT!!**

NEW in the following stores:

A&P - NJ, NY, CT

FOOD EMPORIUM - NY

HEINAN'S - OH

SHOP RITE - NY, NJ, PA

STOP & SHOP - CT, MA, NH, NY, RI, NJ

SUPER FRESH - DC, DE, MD, NJ, PA, VA

WALBAUM'S - CT, NJ, NY

WEIS - MD, NJ, NY, PA

Stores running promos in February -Save \$\$\$\$

ALBERTSON'S - CA - 10 oz PB Doggie Paws and 10 oz PB Softies

BEL AIR - CA - 10 oz PB Softies

DEMOULAS MARKET BASKET - MA, NH - 24 oz PB & Molasses and 24 oz MORE Flavors

HAGGEN'S - WA - 10 oz PB Doggie Paws and 10 oz PB Softies

HARRIS TEETER - VA, NC, SC, GA, TN, FL - 10 oz PB Doggie Paws and 10 oz PB Softies
HEINAN'S - OH - 24 oz PB & Molasses, MORE Flavors and 16 oz LIVE WELL
INGLES - VA, NC, SC, GA, TN, AL, VA - 10 oz PB Doggie Paws and 10 oz PB Softies
LOWES - NC - 10 oz PB Doggie Paws and 10 oz PB Softies
NOB HILL - CA - 10 oz PB Softies
PETSMART - NATIONWIDE - 10 oz PB Doggie Paws and 10 oz PB Softies
PRICE CHOPPER - NY, NH, VT, MA, CT, PA - 10 oz PB Doggie Paws and 10 oz PB Softies
QFC - WA, OR - 10 oz PB Doggie Paws and 10 oz PB Softies
RALEY'S - CA - 10 oz PB Softies
SAFEWAY - WA, AK - 10 oz PB Doggie Paws and 10 oz PB Softies

TIRED DOG:

An old, tired-looking dog wandered into the yard. I could tell from his collar and well-fed belly that he had a home.
He followed me into the house, down the hall, and fell asleep in a corner.
An hour later, he went to the door, and I let him out.
The next day he was back, resumed his position in the hall, and slept for an hour. This continued for several weeks.
Curious, I pinned a note to his collar: "Every afternoon your dog comes to my house for a nap."
The next day he arrived with a different note pinned to his collar:
"He lives in a home with ten children -- he's trying to catch up on his sleep.
Can I come with him tomorrow?"



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Thank you, Margot