



Tea is HOT

At a time when gas margins are shrinking, tobacco sales are declining and direct store operating expenses are increasing, **hot tea delivers:**

- **Hot margins:** 55%, c-store channel (NACS SOI data)¹
- **Hot growth:** Hot tea sales have grown 15% over the past 5 years²
- **Hot Millennial appeal:** 87% of Millennials drink tea³
- **Hot outlook:** CAGR of 4-6% (Tea Association)⁴

Quick and Easy Profits

It's no secret: boosting inside sales is critical for growth. Foodservice has delivered favorable results but can be labor-intensive. However, a hot tea program can be deployed quickly and easily, minimizing risk while maximizing returns. Artisan tea hits the spot, no matter the size of the operations or footprint.

An Artisan Tea program:

- Deploys quickly
- Requires minimal setup and cleanup
- Delivers impressive returns

Pick a Benefit, Any Benefit

With a broad variety of offerings delivering a range of benefits, Artisan tea appeals to nearly every consumer demographic, from Millennials to Baby Boomers.

Hot tea benefits:

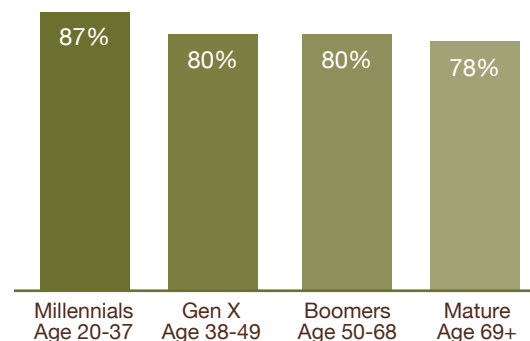
- Low-calorie
- Organic
- Perceived health benefits

Right on Target with Millennials

Did someone say Millennials? Artisan tea helps capture the critical – yet elusive – Millennial demographic.

MILLENNIALS FAVOR	ARTISAN TEA?
Food and drinks with a perceived health benefit	✓
Trendsetting beverages	✓
Natural and organic	✓
Clean label products	✓
Nutritional value	✓
Farm-to-table offerings	✓
Sustainable sourcing	✓
Eco-friendly	✓

Almost everyone drinks tea⁵



Source: ¹National Association of Convenience Stores, 2015 State of the Industry report.

²Tea Association of the U.S.A., Tea Fact Sheet 2016-17. ³Ibid. ⁴Ibid.

⁵Mintel, July 2014 Tea and RTD Tea Report.

Why Artisan Collection by Farmer Brothers?

For more than a century, we have gained the trust of America's restaurants and stores as a manufacturer, wholesaler and distributor of fine coffees and teas.

Key Artisan Collection features:

- Handcrafted full-leaf teas and botanicals
- Seven trend-setting varieties
- Pyramid bags that produce rich, full-tasting brews
- Tightly controlled blending process ensures perfectly balanced taste in every cup
- No harmful additives
- No artificial pesticides
- Certified organic blends
- Harvested during peak growing season to ensure the most robust flavors
- Long shelf life: Artisan Collection teas retain freshness for 18-24 months — twice as long as coffee



Pyramid bags
produce rich,
full-tasting brews.

Steeped in Success

Farmer Brothers provides everything you need to brew the most flavorful tea program.

- Air pots
- Tea racks
- Flavor selector rings
- Tea chests



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Artisan Tea is a Winning Hand

With food and beverage sales comprising roughly 22% of the average casino's revenue¹, profitable and quality menu offerings are paramount to success. **Hot tea pays:**

- **Generous margins:** Up to nearly 70%²
- **Steady growth:** Hot tea sales have grown 15% over the past 5 years³
- **Strong public appeal:** Teas is consumed in 80%⁴ of U.S. households by more than 150 million people
- **Trending up:** CAGR of 4-6% (Tea Association)⁵

Easy Money

Unlike foodservice offerings that require intensive labor and resources to deploy, a hot tea program can be implemented quickly and easily, minimizing risk while maximizing returns.

Temptation = Sales

With a broad variety of offerings delivering a range of benefits, Artisan hot tea appeals to nearly every consumer demographic, from Millennials to Baby Boomers.

Boost Your Odds Among Millennials

Did somebody say, "Millennials"? Comprising 27% of the adult population⁶, Millennials play a key role in sustaining a casino's bottom-line success. Engaging this socially savvy Next Gen demographic can be elusive without an intimate understanding of their preferences.

MILLENNIALS FAVOR	ARTISAN TEA?
Food and drinks with a perceived health benefit	✓
Trendsetting beverages	✓
Natural and organic	✓
Clean label products	✓
Nutritional value	✓
Farm-to-table offerings	✓
Sustainable sourcing	✓
Eco-friendly	✓
Gluten and nut-free	✓

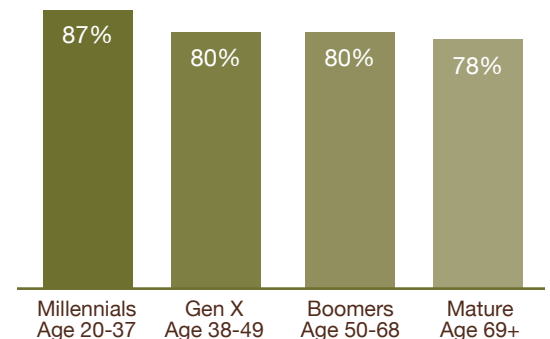
An Artisan Tea program:

- Deploys quickly
- Requires minimal setup and cleanup
- Delivers impressive returns

Millennial Friendly:

- Low-calorie
- Eco-friendly
- Perceived health benefits

Almost everyone drinks tea⁷



Source: Foodservice Equipment & Supplies, "Casinos Double Down on Foodservice." January 3, 2016.

²World Tea News, "Sage Group: Tea Sales are Bigger Than You Think." July 12, 2012.

³Tea Association of the U.S.A., "Tea Fact Sheet 2016-17."

⁴Ibid. ⁵Ibid.

⁶Insights Association, "Is Your Casino Optimized for Millennials?" April 28, 2015.

⁷Mintel, July 2014 Tea and RTD Tea Report.

VIP Treatment

For more than a century, Farmer Brothers has been a leading manufacturer, wholesaler and distributor of fine coffees and teas to America's foodservice venues.

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Royal Flush

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- Air pots
- Tea racks
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- Tea chests
- Table tents



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Artisan Tea Gets Straight A's

Although traditionally neglected by administrators, college and university foodservice has become innovative and responsive to be more attractive to prospective students.¹ A quality tea program is an integral part of that evolution, **a win-win for students and operators.**

- **Generous margins:** Up to nearly 70%²
- **Exponential growth:** Tea sales are expected to grow 25% on colleges and university campuses over the next two years.³
- **Campus-wide appeal:** 27% of college students – and nearly one-third of all female students – have consumed tea within the past week.
- **We're #1:** 15% of college students named brewed tea as their favorite “pick me up beverage”.⁴

Ahead of the Curve

Unlike foodservice offerings that require intensive labor and resources to deploy, an Artisan hot tea program can be implemented quickly and easily, minimizing risk while maximizing returns.

An Artisan hot tea program:

- Deploys quickly
- Requires minimal setup and cleanup
- Delivers impressive returns
- Appeals to Millennials

Most Likely to Succeed

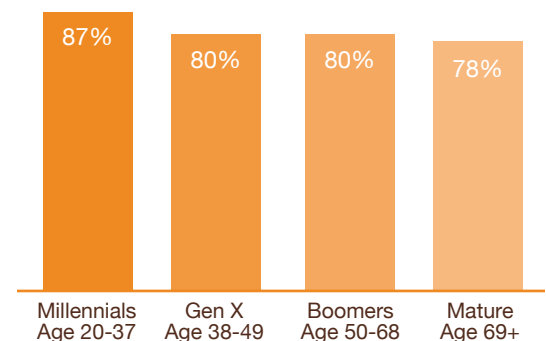
Engaging students successfully requires an intimate understanding of their preferences.

TRENDING UP

ARTISAN TEA?

Food and drinks with a perceived health benefit	✓
Natural and organic	✓
Sustainable sourcing	✓
Eco-friendly	✓
Low calorie	✓
Customizable	✓
Gluten and nut-free	✓

Almost everyone drinks tea⁵



Source: ¹Foodservice Equipment and Supplies, “The Future of College and University Foodservice is Now.” July 1, 2016.

²World Tea News, “Sage Group: Tea Sales are Bigger Than You Think.” July 12, 2012.

³Foodservice Director, “January 2016 Menu Trends Survey.”

⁴World Tea News, May 1, 2017

⁵Mintel, July 2014 Tea and RTD Tea Report

Honors Department

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Masters Program

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- Air pots
- Tea racks
- Flavor selector rings
- Presentation cases
- Table tents



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Tea is HOT

When it comes to restaurant beverages, the \$20 billion tea category holds ***an edge in future growth momentum.***¹

- **Brisk sales:** Foodservice teas are growing 7-10% annually.²
- **Steeped in gross profits:** Mainstream teas generate margins of 70%³, while premium brews generate gross profit percentages in the high 90s.⁴
- **Organic Preference:** 27% of consumer polls would pay more for organic coffee or tea.⁵

Easy Add-On

Unlike other beverage programs that require expensive equipment and staff training, a hot tea program can be deployed quickly and easily.

Pick a Segment, any Segment

Consumed in 80% of U.S. households by more than 150 million people⁶, hot tea appeals to every consumer demographic, making it the ideal beverage for every restaurant segment.

Foodie Favorite

Engaging restaurant-goers successfully requires an intimate understanding of their preferences. Artisan tea hits the spot on the most popular foodservice trends.

TRENDING UP

ARTISAN TEA?

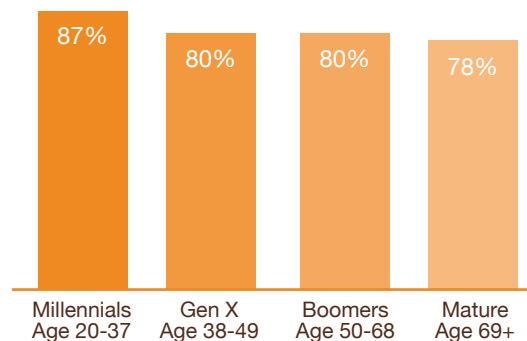
Food and drinks with a perceived health benefit	✓
Trendsetting beverages	✓
Natural and organic	✓
Sustainable sourcing	✓
Low calorie	✓
Customizable	✓
Gluten- and nut-free	✓

An Artisan hot tea program:

- Deploys quickly
- Requires minimal setup and cleanup
- Delivers impressive returns
- Integrates seamlessly into existing beverage programs

Artisan Tea fits:

- QSR
- Fast casual
- Family dining
- Casual dining
- Fine-dining

Almost everyone drinks tea⁷

Source: ¹Packaged Facts, "Foodservice Tea Market Trends in the U.S." 12/2015.

²Tea Association of the U.S.A., "Tea Fact Sheet 2016-17."

³World Tea news, "Sage Group: Tea Sales are Bigger Than You Think." 7/12/2012.

⁴Nation's Restaurant News, "Tackling the Tea Opportunity." 8/17/2016.

⁵Coffee and Tea On Premise – Mintel, US, 12/2016 Executive Summary

⁶Tea Association of the U.S.A., "Tea Fact Sheet 2016-17."

⁷Mintel, July 2014 Tea and RTD Report

Five-Star Service and Quality

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Sous Chef

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Tea is HOT

Resident Satisfaction

As senior living administrators face increased competition to enhance their food and beverage offerings while reigning in costs, **hot tea delivers:**

- **Brisk sales:** Foodservice tea sales are growing 7-10% annually.¹
- **Long-term growth:** The global tea market is expected to reach \$21 billion within the next seven years.
- **Quality your residents' demand:** Perfect alignment with industry trend to provide "higher-quality foods and beverages."²

Minimal Start-Up Costs

Unlike premium coffee offerings that require expensive equipment and staff training, a specialty hot tea program can be deployed quickly and easily.

A hot tea program:

- Deploys quickly
- Requires minimal setup and cleanup
- Integrates seamlessly into existing beverage programs
- Delivers numerous reported health benefits

Right at Home

Contracting budgets leave little room for error when it comes to food and beverage purchases. Minimize risk by choosing tea: Specialty teas resonate strongly among adults 55 and older, who collectively consume more than one-third – 33.4 percent – of specialty teas in the U.S.

Age Specialty buyers %*

55-64	13.2
65+	20.2 ³

*Among total tea consumers

Explanation of Benefits

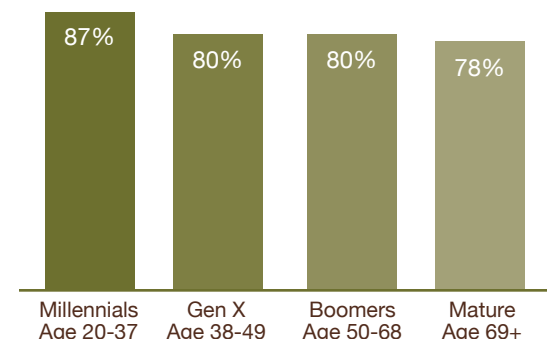
Beyond traditional, low-cost teas, premium teas are a fast-growing market segment, appealing to a range of evolving consumer tastes and preferences

TRENDING UP

ARTISAN TEA?

Food and drinks with a perceived health benefit	✓
Natural and organic	✓
Sustainable sourcing	✓
Low-calorie	✓
Customizable	✓

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Source: ¹Tea Association of the U.S.A., "Tea Fact Sheet 2016-17."

²Smucker's Foodservice Breakfast Brief, "Senior Living."

³Specialty Tea Institute, "Demographic Summary."

⁴Mintel, July 2014 Tea and RTD Tea Report

Resident Advisors

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