

American Hat Company
Production Supply and Demand
January 3, 2022

The purpose of this document is to clarify our communication with our retail customers in these unprecedented times regarding our production capabilities.

The worldwide Covid pandemic has caused delays in sourcing of raw materials. Here at American Hat Company we do not import any finished goods, every hat we make starts with raw materials, and every hat is handmade in Bowie, Texas.

The success of the TV series Yellowstone and The Cowboy Channel have contributed to a serious uptick in orders for Western Cowboy Hats. American Hat Company also partners with several notable organizations such as NHSRA, PBR, AQHA, APHA, and PRCA. We have a Brand Ambassador Program that includes young up and comers as well as PRCA and PBR Professional Athletes. These strategic partnerships have also contributed to increased sales.

As part of the American Hat Company Constitution we must maintain integrity in all of our communication and be honest and forthcoming with our customers.

There are several contributing factors to our current production status.

- Supply and demand is the number one issue. The current explosive rate of incoming orders has outpaced the supply of raw materials. Our suppliers have been dealing with pandemic shutdowns and can't keep up with the huge demand at this point. Over a year ago we significantly increased our raw material orders to meet this demand, however pandemic related issues continue to hamper their efforts to deliver raw materials.
- We are currently one year out on both straw and felt orders. Going forward it doesn't make sense to take new orders when we can't tell you when the goods will arrive and we can't even quote the future pricing.
- We have made several changes to the factory by adding additional equipment, adding on an additional warehouse space to hold raw materials, and we are aggressively seeking additional employees.
- American Hat Company has a deep commitment to delivering the highest quality hats available in the market. Our retailers expect that as well as our end consumers. We will not compromise on that commitment by shipping you anything but the best, even during these trying times.

What's the plan going forward?

- As soon as we see that we have production space for additional orders and we have raw materials to make these hats we will contact customers via email. We will evaluate our production capabilities monthly throughout 2022.