October 27, 2021

Subject: Supply Chain Update Report

Dear AWG Members:

We continue to have major challenges with inbound supply chain from our vendors. We are working 7 days a week to try to capitalize on the availability and transportation of inbound product. This update will outline, in detail, the specific supply chain issues our vendor partners are currently experiencing. Transportation, labor, and trucking continue to be the biggest driving factors. Currently AWG/VMC has more than 6,000 purchase orders in the system that are deemed “late” due to being one or more days past normal lead time due dates. In many cases, purchase orders are multiple days or weeks late. The impact to AWG/VMC on scheduling inbound receiving labor, consistent re-working of purchase orders, and purchase order tracking has been substantial. We remain committed to applying the necessary resources to manage these problems. We are also in daily contact with all vendors that are having supply chain issues and working to create solutions where possible. In many cases, production and trucking is simply not available. Despite these challenges, the days of supply within our system continues to produce sales that are eclipsing 2020, and are well above 2019.

Currently, prebooks and ads, with specific dates and deadlines, have become significantly more challenging to manage due to vendor supply issues and the excessive number of late loads. We are doing everything we can to keep up with the changes and communicate them to you appropriately. We appreciate your patience and we understand the frustrations of moving ship dates. We are encouraging all ad groups and self-negotiating equity groups to question the supply viability on all vendor commitments. We are pushing vendors to maintain funding levels across AMAPs and direct Ad/TPR commitments, but that comes with accepting the risk of supply failures or delays. We believe, in most cases, vendors are making as much effort as possible to keep their commitments but production capability and transportation can be fluid on a daily basis right now. The ratio of available trucks to load demand still remains negatively skewed.
Truckload to reefer rates

Market Indexes

PPI 2005-2021
We have also seen an uptick in vendors putting more items on long-term unavailable status as they focus on producing the more popular items. In most cases, we would support this if it results in a direct increase in allocations to us on those faster moving items. The ongoing challenge will be maintaining integrity on your shelves. We will continue to code items on invoices with the temporary unavailable and long-term unavailable codes as quickly as possible. We encourage you to continue to stocking your shelves with items that are in good supply and that consumers are readily substituting for items that are being allocated across the industry.

AWG and VMC are continuing to watch market share down to the item level to find any discrepancies where we may not be getting our fair share. While anecdotally we see pictures of products available in all markets that convey we are not getting treated fairly, We are also avidly addressing gaps where the data proves it. The graph below illustrates the latest trends by division where stores are ordering items that are temporarily or long-term unavailable, which also drives down invoice service level.

In addition to late loads and allocated inventory on more than 2,000 items, we have continued to see cut rates per purchase order remain high. Currently, we are averaging 12-15% cut rates on any given truck. The graphs below show our current inbound service levels, which capture all the cut issues that are currently impacting invoice service level. This does not include where we have customized purchase orders to our specific allotted quantities on allocated items.
Processed meat has been impacted more severely right now due to the labor shortages in packing plants and the reemergence of COVID. We are working with these vendors to secure incremental product whenever available beyond our set allocations.

**Category and Vendor Specific Updates**

**Meat**
- The industry continues to have major labor issues impacting plants, production, supply, and distribution.
- Trucking is an ongoing pain point.
- Inflation is driving retail sales dollar growth across the U.S. with volume struggling vs. YA, but strong vs. 2019.

![Graph: $ and lbs growth meat department vs. comparable time period year ago]

**Fresh Meat**
- **Beef** - Total YTD harvest is 4.1% over last year, but the past few weeks has seen a trend down compared to LY. Cattle weights are seasonally trending higher but remain below last year. As a result, beef production for the week was 535.1 million pounds, 3.6% lower than a year ago. Feed costs remaining high and carcass weights below last year is contributing to the inflationary costs in the
beef industry. **Beef cutout** has fallen off the past few weeks, but mains 32.33% over last year main drivers are Ribeyes and End Meats.

Usually, beef prices decline after Labor Day, reach a bottom in mid-October, and then trend higher into November due to year-end holiday demand. In order to maintain our supply, we are working further out for big package buys and holiday business. We are using new vendors to help fill the gaps. This trend will continue for next year.

- **Pork** – YTD hog harvest is down 1.8% to last year. As expected, **pork cutout** gave up a lot of ground last few weeks, down $4.8/cwt, mostly because ham primal value better reflected the sharp decline in bone-in ham values. USDA reported some 2 million pounds of bone-in hams traded at $49/cwt. But availability of other products was up as well, with loins, ribs and even bellies printing lower than the previous week.

  Labor is still a challenge and further trimmed items remain in tight supply. Ex. pork loin back ribs. Most companies have offered increased hourly pay rates, bonuses, etc. to retain their labor pool. Most plants are running at 90-95% of capacity. One of the items being affected by labor is Chitterlings. Packers are experiencing major shortages - AWG will be shorted more than 20 loads of buckets & bagged chitterlings in Q4.

- **Chicken** - Production was off 0.55% for last week and down 1.2% compared to last year—driven by labor issues and lighter bird weights. The market is slowing down, with breast meat prices once again coming under pressure. Wings and tenders, which have been very firm until recently, are also starting to show some weakness. IQF Chicken continues to remain stable for breasts and breast tenders, and pricing is reflective of the current market. Wings have been able to stabilize for regular turn purposes, although limited extra availability of #2 product manages to show up from time to time and is taken advantage of. Boneless skinless thighs have become erratic as the pricing inflated. Production facilities are facing the same labor shortages as the rest of the poultry world, which hampers overall production and, in turn, shows up as declined cold storage volume.

- **Hams** - There should be no issues with the product AWG has ordered for the Thanksgiving & Christmas holidays. Additional product for either bone-in or boneless hams will be an issue. The industry is running very tight for any extra product. Labor continues to be the major challenge for added orders.

- **Turkeys** – AWG is in a very good position on turkeys for Thanksgiving & Christmas holidays compared to prebooked orders. All the product we’ve ordered has been delivered. If any additional turkeys are needed, the only available inventory is 24lbs and up sizes.
Seafood

- Retail sales vs. YA have softened across the U.S. but are still strong vs. 2019 across both fresh and frozen seafood.

![Monthly Seafood dollar sales gains versus same period year ago](chart)

- New item introductions in multiple areas are on the way, the biggest of which could be the Mowi fresh salmon rollout (skin packed portions – never frozen).
- **Catfish/Swai/Frozen Tilapia fillets**: Domestic supplies remain inflated and constrained, though spor availability continues to show up, however irregular. Imported aquaculture species remain firm. Markets are burdened with supply constraints, logistical issues, tempered production efforts, freight, as well as tariffs on species from China. Uncertainty surrounds the pangasius(swai) market as the country has enacted emergency COVID-19 restrictions.
- **Salmon**:
  - **Farmed Whole Fish**: The Northeast whole fish market is barely steady to weak across all sizes. 6-8 through 12-14s trended lower. The undertone is somewhat unsettled; overall demand is reported to be quiet.
  - **Wild**: The wild market trended higher on sockeyes and lower on troll kings. Net kings have been removed. Troll cohos are reported to be trading between 5.35-5.75.
• **Shrimp**: Demand for shrimp is still active but no longer frenzied. The market for Latin origin shrimp is pressured, while worsening supply chain issues in Asia remain a concern for the import community. Gulf shrimp had steadied, but currently a bit more unsettled on the prospect of new season production.
  
  o **White Shrimp**: Supply chain issues are worsening from Asia where they are contending with the rapid spread of COVID-19 in producing countries like Vietnam, Indonesia, and Thailand.
  
  o **Black Tiger Shrimp**: Changes were limited to just a few premiums. Demand is active and the market fully supported as importers continue to report difficulty sourcing supply.
  
  o **Wild Domestic Shrimp**: No changes were recorded but the environment in the region has become more unsettled alongside the Texas opening and the prospect of new season production.

**Processed/Frozen Meat**

• **Kraft Heinz**
  
  o Lunchables are still having major supply shortages due to increased demand, labor issues, and tight material supply. Allocations remain in place with recovery not expected until the end of Q1 2022. We continue to focus efforts on getting our fair share and incremental cases where possible.
  
  o Claussen pickles recovery is slow due to crop conditions and labor shortage. These items will remain on allocation for the foreseeable future.
  
  o Oscar Mayer bacon is currently on allocation due to challenged supply chain and increased demand.
- **Tyson**
  - Hot Dogs - Lack of labor is causing production issues. Ball Park supply and overall inventory position has improved, off order cap. No promos in November/December.
  - Rope Smoked Sausage remains on order cap through December 2021, could potentially promote in March 2022 with new capacity coming online.
  - Lunchmeat resumed allocation through end of October. Seeing sporadic shortages due to labor issues.
  - Cocktail smokies significant orders over forecast driving recent shortages. Production ramped up to replenish inventory over coming weeks. Order caps through year end, but plans are solid for Thanksgiving strategic, targeting 2/$7 ads.
  - Hillshire Snacking allocated due to raw material challenges and shipments impacted by cracker attainment. Hillshire Small Plates constrained through December. Bistro Bites order caps increase due to more production. Small Plates predicted get well January 2022.
  - Regional brands order cap removed. Seeing spot shortages on Bryan lunchmeat.
  - Jimmy Dean raw material availability prevented season pre-build on 1lb rolls. No pre-build combined with poor attainment and continued overconsumption has rolls down to single digit days of supply. JD/RBR Rolls & JD Crumbles on allocation thru December. Allocation cannot support Rolls ads in November or December. JD Fully Cooked ads still supported.
  - Jimmy Dean frozen breakfast sandwiches have had ingredient procurement challenges, as well as labor/productions issues. Tyson’s egg patty supplier has labor challenges, resulting in a 30% reduction in supply thru November. This impacts their top 20 items. Other ingredient challenges include turkey pre-blends shorting due to citric acid shortage, Canadian bacon shortage due to labor, and a chicken patty shortage impacting Chicken Biscuit Sandwich. Order cap will be in place through March 2022.
  - Advance Pierre frozen breakfast and dinner sandwiches supply will remain constrained due to labor challenges. Currently leveraging prioritized portfolio.
- **Hormel**
  - Spiral Hams for the Holidays are expected to ship in full. Boneless hams could experience spot shortages.
  - Black Label bacon on allocation due to high demand and labor issues. Running TPR offers only.
Pepperoni open stock inventory is currently in a good position.

Hormel Sides co-packer has communicated challenges with labor. They will not be able to promote for the holidays and will be on allocation. Plan to still supply the base business.

Lloyd’s expects shortages due to ongoing supply issues. Currently on allocation. Hoping to recover in time to promote for Super Bowl.

Lunchmeat: no production issues currently.

Snacking: labor and ingredient challenges have caused a temporary reduction on SKUs being produced.

**ConAgra**

- Recently announced allocations on Banquet Brown ‘N Serve that will be in place until end of January 2022. There is also an allocation extension on the Odom’s allocation.
- ConAgra recently encountered raw material challenges from their supplier network that resulted in production interruptions and throughput limitations. The recent delay and shortage of key ingredients, including seasonings and pork, has impacted ConAgra’s ability to service the BNS and OTP businesses.

**Bob Evans**

- Production has increased at their internal and external facilities and they have enhanced their hiring efforts. However, they continue to experience supply chain challenges associated with the current labor market as well as supply chain packaging constraints. While the continued demand for products has been strong, they are not able to maintain the inventory levels needed to keep up with current orders and the expected holiday demand. Production has been suspended on select items and a managed forecast has been implemented on the item groups listed below through the end of the year:
  - Bob Evans and Simply potato and pasta side dish
  - Bob Evans 2-CT cups and frozen handhelds
  - Bob Evans and Owens sausage patties, links and rolls

**Buddig**

- Currently shipping above 100% of allocations, but demand for product is about 1/3 higher than current production allows, and they don't see that gap closing by year end. Challenges remain around labor and struggles to retain employees.

**Specialty Foods**

- Field, Fischer and Kentucky Legends brands are all having supply constraints due to labor issues. They had over 120 COVID positive in their
plant during the first of October and are trying to recover. Pickled Meats have been an issue for a while due to not being able to get the packaging.

**Produce**

Produce sales remain strong. Year-over-year sales increased well over the national average and cases are up YTD. Last month’s report reported inflation of right around 3% YTD. However, we have started to see stronger overall inflationary figures and YTD inflation has ticked upward to just over 3.5%.

**Fresh Fruit Top 10 in September Sales**

<table>
<thead>
<tr>
<th>Top 10 in sales</th>
<th>Dollar sales increase over comparable period in 2019/2020</th>
<th>Sep '21</th>
<th>Sep vs '20</th>
<th>Sep vs '19</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1 '20</td>
<td>Q2 '20</td>
<td>Q3 '20</td>
<td>Q4 '20</td>
</tr>
<tr>
<td>Fresh fruit</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Berries</td>
<td>+11.0%</td>
<td>+15.3%</td>
<td>+14.3%</td>
<td>+16.2%</td>
</tr>
<tr>
<td>Grapes</td>
<td>+1.9%</td>
<td>-1.1%</td>
<td>-0.3%</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Apples</td>
<td>+2.2%</td>
<td>+3.1%</td>
<td>-0.1%</td>
<td>+1.9%</td>
</tr>
<tr>
<td>Melons</td>
<td>+4.0%</td>
<td>+2.6%</td>
<td>+14.4%</td>
<td>+18.7%</td>
</tr>
<tr>
<td>Bananas</td>
<td>+5.6%</td>
<td>+6.2%</td>
<td>+0.5%</td>
<td>+1.9%</td>
</tr>
<tr>
<td>Avocados</td>
<td>+6.6%</td>
<td>+14.6%</td>
<td>+2.2%</td>
<td>+6.1%</td>
</tr>
<tr>
<td>Mandarins</td>
<td>+7.2%</td>
<td>+7.5%</td>
<td>+13.5%</td>
<td>+15.7%</td>
</tr>
<tr>
<td>Peaches</td>
<td>-2.4%</td>
<td>-4.5%</td>
<td>-5.3%</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Mixed fruit</td>
<td>-1.4%</td>
<td>-26.4%</td>
<td>-1.8%</td>
<td>-9.0%</td>
</tr>
<tr>
<td>Pineapples</td>
<td>-5.8%</td>
<td>+7.3%</td>
<td>+15.7%</td>
<td>+14.6%</td>
</tr>
</tbody>
</table>

Source: Source: IRI Integrated Fresh, Total U.S., MULO, % change vs. YA

**Fresh Vegetables Top 10 in September Sales**

<table>
<thead>
<tr>
<th>Top 10 in sales</th>
<th>Dollar sales increase over comparable period in 2019/2020</th>
<th>Sep '21</th>
<th>Sep vs '20</th>
<th>Sep vs '19</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1 '20</td>
<td>Q2 '20</td>
<td>Q3 '20</td>
<td>Q4 '20</td>
</tr>
<tr>
<td>Fresh vegetables</td>
<td>+8.4%</td>
<td>+20.7%</td>
<td>+15.1%</td>
<td>+14.8%</td>
</tr>
<tr>
<td>Tomatoes</td>
<td>+12.7%</td>
<td>+24.7%</td>
<td>+17.8%</td>
<td>+17.6%</td>
</tr>
<tr>
<td>Packaged salad</td>
<td>+13.0%</td>
<td>+11.6%</td>
<td>+14.0%</td>
<td>+21.7%</td>
</tr>
<tr>
<td>Potatoes</td>
<td>+19.4%</td>
<td>+36.8%</td>
<td>+16.6%</td>
<td>+12.1%</td>
</tr>
<tr>
<td>Lettuce</td>
<td>+3.5%</td>
<td>+14.2%</td>
<td>+8.0%</td>
<td>+23.2%</td>
</tr>
<tr>
<td>Peppers</td>
<td>+5.5%</td>
<td>+28.0%</td>
<td>+22.1%</td>
<td>+21.7%</td>
</tr>
<tr>
<td>Onions</td>
<td>+11.5%</td>
<td>+23.4%</td>
<td>+11.9%</td>
<td>+11.2%</td>
</tr>
<tr>
<td>Cucumbers</td>
<td>+10.2%</td>
<td>+21.4%</td>
<td>+18.9%</td>
<td>+21.8%</td>
</tr>
<tr>
<td>Carrots</td>
<td>+6.4%</td>
<td>+12.1%</td>
<td>+6.5%</td>
<td>+4.6%</td>
</tr>
<tr>
<td>Mushrooms</td>
<td>+8.1%</td>
<td>+31.2%</td>
<td>+23.0%</td>
<td>+17.5%</td>
</tr>
<tr>
<td>Broccoli</td>
<td>+5.3%</td>
<td>+19.0%</td>
<td>+13.9%</td>
<td>+11.9%</td>
</tr>
</tbody>
</table>

Source: Source: IRI Integrated Fresh, Total U.S., MULO, % change vs. YA

As we move into the Holiday selling period, we anticipate strong results as more and more consumers choose to eat their meals at home. Food-away-from-home has seen inflation grow at an even faster rate than produce in general, so consumers are opting for healthier and more affordable home-cooked meals. This should bode well for
retailers and the traditional holiday items are expected to be promotional and mostly abundant this year.

- Sweet potatoes and Russet potatoes are in good supply for the holidays. We are seeing some pressure on the Idaho russet crop due to weather-related issues in Washington, but the other growing regions look to have more than enough product to offset the shortage in Washington.
- Strawberries will transition to the southern growing regions in California as well as Mexico and will likely be tight in supply until late December when Florida starts with light supply.
- Blueberries, Blackberries, and Raspberries will transition to imports and have very good volume. Blueberries will be from Central America and Blackberries and Raspberries from Mexico.
- California Grapes are in full swing. Quality is excellent and very promotable. We are also seeing the proprietary varieties become readily available. We will start to transition to import grapes late November or into December as California starts to wind up.
- California Navel Oranges have started but with 4-5 day gas times. As we move toward the end of October into November, volume will ramp up and become promotable.
- California Mandarins will start around the first week of November in a light way with promotable volumes coming mid-November.
- Melons will transition to imports from Central America through Florida in mid-November with promotable volumes.
- The new crop apple harvest is complete in all growing regions with promotable volumes available. Cosmic Crisp will start mid-November.
- California Vegetable crops have begun the transition to the southern growing regions in Yuma, AZ and Huron, CA. Supplies on Broccoli and Cauliflower are expected to remain tight through the end of the year.

Opportunity Areas:

Dole Value Added is still struggling with labor. However, the past 3-4 weeks we have seen a dramatic improvement in service level. Dole continues to take steps to further improve service level as we head into the crucial holiday selling period and the New Year. They have a new processing facility operating in Arizona that is taking pressure off their California facility and are also looking to d/c additional SKUs to further enhance their capabilities. Their last 3-weeks service level has averaged 94%.

Ready Pac continues to produce limited SKUs, only 4 out of 15 salad bowls due to labor issues. By November 14th they anticipate adding 5 more SK’s. Their snacking line has been pushed back to 2023 to restart production.

Curation Foods anticipates shortages on broccoli and peas through the holidays.
Li’l Hugs has ongoing employee shortages and is unable to ship product. Out of their 17 SKUs, they are currently only able to produce one.

Naked Juice is having ongoing raw material and supply shortages. They are currently SKU rationing until mid-November.

House Foods is having production issues on Wonton and Eggroll Wraps. Raw materials are in short supply. House Foods is changing manufacturers on these items and is working to get supplies ramped up as soon as they can.

Marzetti is experiencing a shortage in raw ingredients to produce all dressings and dips. While we have seen most items start to return to normal supply, cream cheese dip and caramel dips are still short. Marzetti has also started using green lids on all dips to help with production issues. This should last 70-90 days.

Crispy Greens, Durham Ellis Snacks and Yo! Quiero are all experiencing raw material shortages causing allocations impacting service levels.

Hampton Peanuts and other nut producers are short on nuts due to a crop failure last season and a slow start to this year’s crop. They are spreading supplies until they can get caught up, which should be by the first part of November.

Del Monte Fruit Natural peaches, pineapple, and mandarin orange SKUs are experiencing shortages due to increased consumption and logistical challenges. The vendor hopes to be up and running by December.

Giorgio Mushrooms continues to have staffing issues in the packing sheds. This has caused them to curtail packing the most labor-intense SKUs.

Red Sun is experiencing low production and high demand in Mexico greenhouses, causing shortages of Scarlett Pearl grape tomatoes and Sweet Pops cherry tomatoes. Production is also impacting their ability to run promotions on TOVs and Beefsteak tomatoes.

Nature Sweet continue to experience shortages on Cherub grape tomatoes due to poor sun units and low sugars in Mexico greenhouses.

**Deli/Bakery/Foodservice**

Coming off a strong Period 10, we expect the same growth trajectory for the remainder of the year. According to IRI, nearly 80% of all home meals were prepared at home and online orders continues a positive 3-month trajectory - making up 14% of all orders in September (up from 13% in August and 11% in July). AWG Bakery Deli cases are up
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YOY, but we are seeing bakery soften due to current supply disruption and labor constraints.

Manufacturers price increases and high levels of inflation will test consumers’ ability and willingness to pay more in Q4. The USDA Economic Research Service (ERS) released data last week that Americans spent 7.8% less on food in 2020 than the year before as a result of eating more meals at home versus eating out.

Deli sales up more than 10% YOY

<table>
<thead>
<tr>
<th>Jan-Sep 2021</th>
<th>Sales</th>
<th>Gains vs. 2020</th>
<th>Gains vs. 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department deli</td>
<td>$30B</td>
<td>+10.2%</td>
<td>+12.0%</td>
</tr>
<tr>
<td>Deli cheese</td>
<td>$5.9B</td>
<td>+2.3%</td>
<td>+20.4%</td>
</tr>
<tr>
<td>Deli entertaining</td>
<td>$3.3B</td>
<td>+5.8%</td>
<td>+13.0%</td>
</tr>
<tr>
<td>Deli meat</td>
<td>$5.7B</td>
<td>+5.0%</td>
<td>+15.4%</td>
</tr>
<tr>
<td>Deli prepared</td>
<td>$15.4B</td>
<td>+16.8%</td>
<td>+7.8%</td>
</tr>
</tbody>
</table>

Source: IRI/210 Analytics

Expect continued growth in deli prepared and deli entertaining as we hit holiday highs. Leading the way is charcuterie holiday trays and prepared meats, but all subcategories are on a positive trajectory as shown below.

<table>
<thead>
<tr>
<th>Deli Prepared</th>
<th>Current sales vs 2019 and 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1 '20</td>
</tr>
<tr>
<td>Deli entertaining</td>
<td>+9.1%</td>
</tr>
<tr>
<td>Holiday meals</td>
<td>-25.8%</td>
</tr>
<tr>
<td>Spreads</td>
<td>+7.3%</td>
</tr>
<tr>
<td>Trays</td>
<td>+2.4%</td>
</tr>
<tr>
<td>Dips and sauces</td>
<td>+9.9%</td>
</tr>
</tbody>
</table>

Source: IRI/210 Analytics

Bakery continuing to grow despite shortages

Bakery will have the opportunity to further grow sales during the Q4 holidays (pending supply issues). Except for pies, every area in the perimeter bakery improved year-on-year sales. The COVID bake-at-home trend appears to have cooled off, likely pushing higher sales to the perimeter bakery for celebration and holiday needs.
### Perimeter bakery

<table>
<thead>
<tr>
<th>Category</th>
<th>Q1 '20</th>
<th>Q2 '20</th>
<th>Q3 '20</th>
<th>Q4 '20</th>
<th>Q1 '21</th>
<th>Q2 '21</th>
<th>Q3 '21</th>
<th>Sep '21</th>
<th>Sep vs '20</th>
<th>Sep vs '19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cakes</td>
<td>-1.6%</td>
<td>-9.6%</td>
<td>+2.8%</td>
<td>-3.2%</td>
<td>+6.9%</td>
<td>+23.5%</td>
<td>+12.7%</td>
<td>$376M</td>
<td>+11.7%</td>
<td>+15.6%</td>
</tr>
<tr>
<td>Cookies</td>
<td>+6.1%</td>
<td>-10.1%</td>
<td>-1.2%</td>
<td>-4.9%</td>
<td>+2.0%</td>
<td>+21.6%</td>
<td>+14.1%</td>
<td>$155M</td>
<td>+13.5%</td>
<td>+11.8%</td>
</tr>
<tr>
<td>Pastry/Danish/coffee cakes</td>
<td>+4.0%</td>
<td>-1.0%</td>
<td>+5.3%</td>
<td>+1.1%</td>
<td>+9.0%</td>
<td>+17.7%</td>
<td>+15.7%</td>
<td>$115M</td>
<td>+13.4%</td>
<td>+22.4%</td>
</tr>
<tr>
<td>Breads</td>
<td>+10.5%</td>
<td>+7.2%</td>
<td>+7.1%</td>
<td>+4.2%</td>
<td>+1.0%</td>
<td>+2.2%</td>
<td>+1.6%</td>
<td>$101M</td>
<td>+0.0%</td>
<td>+10.3%</td>
</tr>
<tr>
<td>Muffins</td>
<td>+2.5%</td>
<td>-5.2%</td>
<td>-2.6%</td>
<td>+1.5%</td>
<td>+3.2%</td>
<td>+19.3%</td>
<td>+19.4%</td>
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<td>+1.4%</td>
<td>+7.1%</td>
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Source: IRI/210 Analytics

### Inflation continues to rise

Total CPG is averaging 6-8% over the last 8 weeks while Bakery is averaging 7-8% and Deli 5-6%

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### Q4 Outlook:

We anticipate strong results but have concerns about supplies, labor constraints and consumer reaction to inflation. Our buying team is receiving daily communications on shortages, product outages and SKU consolidation efforts from both managed partners and vendors. The corporate buying and division teams are meeting several times a week to discuss the latest updates and mitigation plans.

On the trucking front, national reefer capacity is at 11.70 loads to truck, compared to the August 22nd average of 14.24 (normal is 4 to 1). Current load-to-truck capacity shows reefer demand is high throughout most of the country. The lowest ratios are in Southeast and Southwest states. All markets continue to remain very much oversold. CPU and Vendor Delivered lanes continue to struggle with capacity issues.
**Specific Vendor Updates:**

**Hickory Farms:**
- Due to extraordinary challenges facing all businesses with labor and supply chains throughout the country, Hickory Farms is no longer accepting POs until further notice. Current POs are being cancelled until further notice.

**Reser’s:**
- Fresh Creative Salads - Temporary Suspension
  - Immediate interruption in service on several of our produce deli salads that are sold to AWG KC and Springfield.
  - Produce house partner has decided to exit the partnership immediately and we will temporarily be unable to service these items.
  - Currently in discussions with C&C Produce and Russ Davis Produce to finalize a partnership that will enable them to resume business on these items for AWG KC and Springfield DCs.
  - More updates over the next 48 hours.

**Jessie Lord:**
- Labor shortages have caused Jessie Lord to pivot several times to become more effective and efficient in our manufacturing practices. They have been forced to look at every product that they make to see how and where they can save labor. This analysis brought to light the fact that all of crumb-topped pies require more labor than do our double crust or lattice-topped pies. Because of this incremental labor expenditure, the difficult decision has been made to temporarily suspend making all of our pre-baked crumb-topped pies until they get through the busy season and can rebuild inventories.
- Effective immediately, they will not be producing the following items until further notice. Any orders previously placed may have to be adjusted as they run out of stock on these items.
  - 8” PB Dutch Apple Pies
  - 8” PB Harvest Dutch Apple Pies
  - 8” PB Lemon Krunch Pies
  - 8” PB Cherry Crumb Pies
  - 9” PB Dutch Apple Pies
  - 10” PB Dutch Apple Pies
  - 11” PB Dutch Apple Pies

**E.A. Sween:**
- Temporary packaging changes for select Deli Express® and Market Sandwich® products available through E.A. Sween Company.
- Continuing to face raw material challenges throughout the industry. To maintain continued supply on selected items, they are implementing several temporary packaging changes. They will transition back to our regular packaging as supply materials recover.
Weston Foods:

- As a follow-up to our August 31st notification on Supply impact, Weston continue to face significant labor challenges in producing our Rubschlager Cocktail Rye Portfolio. After exploring multiple options within the current Co-Manufacturer, our internal network and a variety of other options, they have been unable to find a solution to produce inventory for this year’s Festive Season (Thanksgiving, Christmas, New Year’s).
- As such, we will not be back in stock as previously communicated as of Monday, October 25th. Currently, they are not able to provide a Back-in-Stock date or a delist confirmation, as they are continuing to explore options on this lineup.

Olson’s:

- The COVID-19 pandemic has created challenges in Logistics, Labor, and the Supply Chain. In response to these challenges, they are revising our lead times as part of our strategy to insure they meet our goal of 100% fulfillment of all orders. Orders placed on or after October 25, 2021, will be delivered 21 days from the date received.

Smithfield:

- Dry Sausage
  - No production/capacity issues at this point.
  - Spot issues with supplies (Casings, Ingredients, Packaging) may have an impact on fill rates.
- Ham/Lunchmeat
  - Krakus should be OK. Order fill should remain constant.
  - Kretschmar VA hams remain tight; half pieces have been in better position than full.
  - Kretschmar Poultry seeing a few spot shortages which tend to be short-lived.
  - Kretschmar Roast Beef to remain on allocation to forecast.
  - Lower volume Cheese SKUs and cheddar showing some signs of struggle with labor and new systems.

Tippin’s:

- Continues to see challenges on the ingredient and packaging availability fronts. To date, these have only forced them to move around production and have not caused any lost production days.
- They don’t have significant capacity available, based on orders in-house (including many holiday items we pre-ordered) and forecast. We expect to
continue to fulfill orders. Over the last 60 days we have averaged 95%+ fill rates for all Bakery orders overall.

- While they’d like to see this number at 98%+, today’s service level compared to previous years is significantly improved. Labor continues to be a challenge and they expect this to last into the New Year and potentially beyond. They have made a significant improvement in wage structure earlier in the year and are in the process of reviewing it once again.

**Snack Factory:**

- Campbell’s Snacks will also pause production on select SKUs for Snack Factory to maximize production on the highest volume of SKUs to better increase core SKU fill rates. This is planned to be a temporary situation and should not last for a period of more than 90 days.
- Here are the SKUs impacted. Please set as temporarily unavailable on the buyer’s side until January 18, 2022.
  - 495084 – Pretzel Crisps Snack Size 1.5oz
  - 508140 – Pretzel Crisps Gluten Free 5oz
  - 432605 – Pretzel Crisps Cinnamon Sugar 7.2oz
  - 827148 – Pretzel Crisps Mini 7.2oz
  - 800619 – Pretzel Crisps Sesame 7.2oz

**Cargill:**

- Labor is causing industry wide shortages and delayed shipments on not only raw material but also packaging, ingredients and nettings/casings.
- Nationwide EVOH shortage is causing allocations and limitations on clear films used in food production.
- Our cooked production facilities have seen a mix of stable labor, but applicant flow remains low.
- Facilities remain producing below historical levels due to mostly staffing levels and attendance in any given day.
- Young, Boneless Skinless Turkey Tom Breasts increased (+$0.03/Lb.) last week.
- Tom breasts closed at $3.25/lb. versus last year at $1.80/lb. (+$1.45/lb.).
- Jumbo Chicken Breasts decreased (-$0.01/Lb.) last week.
- Jumbo Chicken Breasts closed at $2.14/lb. versus same close last year at $0.93/lb. (+$1.21/lb.).
- Beef Choice inside Rounds decreased (-$0.04/Lb.) last week.
- Beef Choice inside Rounds closed at $3.06/lb. versus the same close last year at $2.55/lb. (+$0.51/lb.).
- 23-27 Hams increased (+$0.07/Lb.) last week.
- Hams closed at $0.65/lb. versus same close last year at $0.71/lb. (-$0.06/lb.).
- Pork Ham, Insides decreased (-$0.18/Lb.) last week.
- Pork Ham, Insides, closed at $2.14/lb. versus same close last year at $2.09/lb. (+$0.05/lb.).
Brill:

- Unforeseen circumstances associated with high demand, labor shortages and raw material supply issues led to the rescind of seven Cupcake SKUs from Event 11:

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<th>SAP #</th>
<th>AWES #</th>
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<th>SP</th>
<th>OK</th>
<th>NE</th>
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- They are making changes to help work through these issues. They are automating two lines at Colton that will make us more efficient. They have also moved cakes produced at Colton to Dallas. This will help our production at Colton.

Café Valley:

- Café Valley continues to be transparent in efforts to meet demand given the extreme limitations in the industry on labor, ingredients, packaging, and transportation.

- Their Marion, IN production facility is currently fully staffed and has the labor force in place to produce products. They have been successful in gaining back many former employees who had left for the higher wage rates. Once they raised their hourly rate in early summer this brought back the labor pool.

- The Phoenix, AS production facility is currently running with about 86% of normal pre-COVID production staffing. While they did implement the same wage rate increases in early summer, the labor pool in that market has a larger option of companies to seek employment. That plant is in a large industrial, manufacturing and distribution section of Phoenix. As an example, they have 13 Amazon Distribution Centers within a 3.5-mile radius of that facility.

- To offset this variance in attainment of employees, they are utilizing both plants as needed to maximize production quantities within product categories.

- They do see some concerns on the Supply Chain side with regards to intermittent packaging shortages and ingredient delays in both production facilities. This is also due to labor issues with our suppliers working to catch up with demand in the industry.

- Transportation has also experienced a shortage in available carriers due to increased demand nationally across most industries. Café Valley recently contracted Blue Jay as a transportation partner to enhance options to secure carriers. This also provides the ability to work with additional independent carriers providing more flexibility to get loads delivered.
General Mills:
- Case fill highlights – improved over last week.
  - Our overall LW case fill was 97.6%.
  - Year-to-date, our overall case fill is 90.3%.
  - The major drivers of year-to-date misses include Puff Pastry (84.3% case fill) and cinnamon rolls (63.1% case fill) and FBG croissants (75.3%).
- Frozen Baked Goods Update
  - Still enduring the national labor shortage and tight transportation capacity, which is impacting end-to-end total supply chain.
  - Additionally, suppliers of multiple key ingredients are shorting ingredients – which will impact cinnamon rolls and biscuits portfolio.
  - The actions they're taking include:
    - Re-deploying ingredients between production facilities to meet production needs as well as they can.
    - Exploring re-formulations to reduce the need for these difficult to obtain ingredients.
    - Setting up secondary and tertiary suppliers.
    - Considering temporary suspensions or discontinuations of low-volume items to help gain production efficiencies for the most sought-after items.
    - There will be spotty cuts across biscuits and cinnamon roll portfolio for some time to come.

Stacy’s:
- Asking for eight weeks out if possible—four minimum. Using a 3rd party to build shippers and staffing is improving as well.

Bel Brands:
- As increased demand for The Laughing Cow brand continues, they are still experiencing supply constraints at manufacturing facilities and will have delayed recovery from their initial projections. This is being driven by unprecedented delays from congestion at ports and slower than anticipated hiring to fulfill labor needs in the plant.
- Optimizing their production schedule to increase output as much as possible and have secured volume from a secondary location. However, projected recovery dates have been pushed back to January 2022.
- To streamline production and maintain service on core items in the category, they will extend temporary reduction of production on certain items. This will allow focus on key items in the category and strive for targeted service levels on the balance of the assortment.
Bunzl:

- There are no plastic hinged pie containers available currently as suppliers are experiencing shortages and not taking on any new usage. They do not have any product on the floor to offer currently either.
  - Chicken Boxes, Cake Pads and Cake Boxes – They are receiving product from suppliers based on previous usage, but there is a paperboard material shortage, so suppliers are not taking on new usage at this time.
  - Deli Containers – Anchor Microlite Deli containers were discontinued by the supplier due to labor issues in running the plant where they were being produced. There is a gap in supply now and all other suppliers are not taking on new usage. Bunzl is working with another supplier on converting AWG deli container business over. However, the lead time for the next container to hit is still around 10 weeks since it's an import. All AWG WHSEs will be receiving some inventory on these deli containers in the next week or so as I was able to get what they had left on the floor domestically. The hinged deli containers can work as a sub, but we expect these will be the next constrained item and are looking for other sources.
  - Party Platters and Trays – will most likely see a shortage of Party Platters and Trays this holiday season, as we are only receiving forecasted numbers based on last year's numbers from our main suppliers due to their production shortages. Last year's usage is not completely accurate due to less folks gathering because of COVID.
  - All plastic packaging containers are seeing a continuous increase in price and constraints on product availability due to the current market environment.

Boursin:

- Voluntary market withdrawal of Boursin Garlic & Herb – 5.2oz after receiving consumer complaints regarding an unsatisfactory appearance of mold on limited batches. This proactive action step resulted in supply challenges on Boursin Garlic & Herb – 5.2oz.
- They anticipate intermittent shortages on the following item through 10/25.
- This recovery date is subject to change if they experience any delays in container shipments from the port.
Rich’s:

- All plants continue to be challenged with labor. There are simply not enough workers for the number of available jobs in the US.
- Rich’s is doing everything they can to hire new employees and improve retention at their plants. They have increased the minimum hourly wage at their plants across the U.S. as well, which should further drive workers to their plant locations. Rich’s is making a significant investment into digital capabilities to drive efficiencies in their demand planning, end-to-end supply chain visibility and improved forecasting. They have paused production on items to drive plant efficiencies across the network. Rich’s has cross-functional teams working hard to mitigate, manage and control delays and shortages. Additionally, within service level challenged product categories, they are not taking on any new business, ensuring they can satisfy their long-standing customer’s needs until they have available capacity.
- Fully Finished Cakes: Will continue to be on allocation for all items from their fully finished cake plants in Houston and California. Expect to see similar amounts of allocation for the balance of the year.
- Quarter sheet fully finished cakes - Rich’s has been notified by their packaging supplier that they will have very limited supply of quarter sheet bases and domes for at least the remainder of the year.
- Rich’s is having to pause production on all quarter sheet cake codes while they look to procure a new supplier. Right now, all manufacturers are challenged with supply, so this could take some time for recovery.
- The desserts team is actively working on a solution to still produce limited SKUs with different packaging options.
- Eclairs: Have seen some recovery from the clamshell packaging supply disruption on 14779 NY chocolate eclairs. It will take the plant some time to refill the pipeline. Service on this item will continue to be spotty through October.
- Butter crème: To ensure supply of the top sellers, they are evaluating efficiencies and options to pause some production.

Harris Baking:

- At Harris Baking things will be extremely tight through Thanksgiving. Between their brown n serve rolls and sweet Hawaiian rolls, their bun line will be at 90%+capacity for the next two months.
- Like all manufacturers, they are struggling to find the additional employees they need.
- With no major breakdowns, they expect to be able to handle current customers’ needs for the 4th quarter.

Nestle Professional:

- The production rate is and has been very good through the pandemic. Becoming a solid “second supplier” for many customers and filling gaps where needed—cheese sauce being a prime example. However, like many manufacturers, they are seeing transportation/delivery issues and bottlenecks.
Now requesting all of customers to send in POs 30 days in advance, but still list the date of desired delivery/pick-up on the PO as well.

They also recommend stocking up on popular and high-volume items that you purchase as well as ordering full trucks loads if possible, as these get priority at the DC’s.

Nationwide transportation challenges are not getting better until after the first of the year.

Give & Go:

Due to ingredient shortage, Give & Go is unable to produce the following seasonable items:
- 709842 2B Pumpkin bites
- 709856 2B Pumpkin spice cinnamon rolls

Clyde’s:

Clyde’s plans to invest roughly $50M over the next 10 years on the second facility, including adding nearly 200 jobs to the local economy. After an exhaustive search, the company selected nearby Glendale Heights, IL as the location of its roughly 150,000 square-foot facility. The company expects the expansion to be complete in mid- to late- 2022.

Experiencing powdered shortages, impacting all divisions.

AWG BRANDS SUPPLY UPDATE

Center Store National Brands Updates

Dairy Updates:

- **Cream Cheese**
  - **Cream Cheese Brick** – Kraft Heinz is allocating Philly brick cream cheese. The expected allocation to AWG is 75% of 2020 sales. Packaging was destroyed during Hurricane Ida flooding, causing reduced production. Thanksgiving holiday ads have been cancelled except for a 1-week TPR. We are moving Best Choice Cream Cheese POs into the divisions earlier than planned.
  - **Cream Cheese Soft** – Philly Soft Cream Cheese cups continue to be on allocation due to shortages of plastic cups. Recovery has been pushed to Q1 2022. The allocation on Kraft is putting pressure on Best Choice supply, causing some shortages.

- **Natural Cheese**
  - **Sargento Balanced Breaks** – We have had a high cut rate of Sargento Balanced Breaks in the past month. They have installed a new production line and expected recovery is by the end of October.
• **Refrigerated Beverage**
  - **Half & Half** – Danone is pausing production of Land O Lakes Fat Free Half & Half in order to focus production on high demand regular Half & Half.
  - **Organic Milk** – After supplying POs at about 65% in September, Danone announced an allocation on Horizon Milk through Q4 of 2021. The allocation level is not determined at this time.
  - **Lactaid Quart Milk** – Allocation began on Lactaid quart milk and runs through the end of Q4.

• **Refrigerated Dough** – The AWG Brands refrigerated dough supplier, Treehouse, was unable to prebuild inventory for the holidays due to increased labor constraints and unexpected ingredient issues. Vendor allocations are in place, and they recommended cancelling ads through Q4 2021. General Mills is working to supply the additional product due to the private label shortage.

**Frozen Updates:**

• **Frozen Baked Goods**
  - **Pepperidge Farms** – Expect cuts on frozen bread items through the end of the year due to labor shortages and allocations. Vendor is focusing on holiday cakes and pastries.

• **Frozen Desserts**
  - **Marie Callender’s Pies** – Southern Pecan, Dutch Apple and Razzleberry on allocation through 12/26/2021.

• **Frozen Prepared Meals**
  - **Bellisio** – Several SKUs of Boston Market and Michelina’s entrees are on pause through 11/30/2021 in order to focus on higher velocity items.
  - **ConAgra** – Marie Callender’s Pot Pies are on allocation through 11/29/21.
  - **Nestle** – Nestle is expecting to be tight on supply with frozen meals throughout Q4 and into early 2022. High consumer demand has reduced their base of supply and expected labor and raw material shortages will exacerbate this problem.
    - Material shortages include meats/poultry, bread and eggs.
    - Market tightness on resin and solid board also contributing factors.
- **Frozen Vegetables**
  - ConAgra – BE MCK WHT CRM CRN 12/20Z (IC # 820266) on allocation until 11/30/21.
  - Green Giant – Allocations on Cob Corn will be removed on 10/3/21.
  - Pictsweet Farms – See chart updates on supply.

**Supply and Demand Discussion:**

**Overall Commodity Review:**

- Weather Impacts being felt in several growing locations
  - Rain...........South Central/East
  - Dry/Heat....West/NWest

- Specific Commodity Challenges.....
  - Asparagus Spears
  - Southern Peas
  - Edamame
  - Cob Corn – Supply and now Labor impact......

**Labor Challenge:**

- Skilled – Operators/Forklift:
  - Training
  - Flex/Defined Schedules

- Hourly Labor:
  - Weekend Workforce
  - Premium Pay (1 or 2 Day):

- Product Review:
  - Sku rationalization
  - Labor Content per sku
  - Full Pallets
  - Full Trucks
• **Frozen Breakfast**
  o **Toaster Strudels** – General Mills is discontinuing Choc 6ct (#310224) and Boston Crème Pie 6ct (342588) effective 9/26/21 and now extending temporary suspension on Wildberry 6ct (#342601) through December.
  o Select Eggo items remain on monthly allocations.

• **Pizza**
  o **Schwan’s** – Four SKUs of Red Baron and two SKUs of Tony’s will be deprioritized in November in order to focus production on higher velocity items. Back in stock date is estimated to be end of Q1 2022. All seven codes will be discontinued until available again.

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<td>EDWARD STR SNADE PIE</td>
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  o **Nestle** – CPK CTC Sicilian will be out of stock starting 9/27/2021. Next shipments expect to start 10/31/2021.
  o **General Mills Totino’s** – New allocations/production pauses to be announced soon on 4-pack pizza and single serve. Currently the following items are on temporary Suspension:

  - 610904 - TOT PIZZA ROLLS TRPL PEPP 50CT 9 PK  24.8 OZ
  - 102222 - TOT PIZZA STUFFERS PEPP 4CT  12 PK  14.1 OZ
  - 102221 - TOT PIZZA STUFFERS PEPP 8CT  9 PK  28.2 OZ

• **Whipped Topping**
  o **Cool Whip** – No supply issues, holiday inventory is on hand.

• **Ice Cream**
  o Novelties continue to be paused from production or have significant PO cuts.
Grocery Updates

- **Shelf Stable Fish**
  - **Skipjack (light) Tuna** – Skipjack Light Meat is expected to continue to rise in the coming months. Due to the FAD (Fish Aggregating Devices) ban in effect at the start of July through September, Skipjack price is beginning to shoot up. Last price update was 7/7/21 at $1,450/mt. The FAD ban applies to purse seiners in the Pacific countries’ exclusive economic zones and high seas areas from July 1 to September 30, and an additional two-month prohibition on FAD use on the high seas.
  - **Albacore Tuna** – Average price for the last 3 months ($3,225) is down -10% from LY ($3,583). However, the elevated albacore prices (>3,000) have been in effect now for more than 3 years.
  - **Salmon** – The 2021 harvest numbers were large, but low average fish sizes led to much less impressive harvests and revenues. Year-to-date harvest numbers are now up 20% compared to 2020 (2019 for pink salmon) and up 15% compared to pre-season forecasts. Forecasts have been exceeded for sockeye and pink salmon, but are not expected to be reached for keta, coho, and king salmon (Source: Dan Lesh).
  - **Star-Kist** – Pricing holding and EDLC will continue through 2021.
  - **Bumble Bee** – Has experienced large shortages recently due to a distribution center change. The transition is complete and fill rates will improve.

- **Shelf Stable Meat:**
  - **Chili** – Hormel plain chili is now off allocation. Armour and Wolf brand canned Chili are not on allocation and available.
  - **SPAM** – Turkey, jalapeño, and bacon flavors have returned to AWG’s allocation list due to production shortages. Original flavor 12oz is in stock and off allocation. SPAM 7oz., Spread and Singles have not been in production by Hormel for several months and were discontinued.
  - **Chunk Meats** – Chunk Meats show strong inventory.
  - **Hash** – Hash has been subject to 5-7% price increases.
  - **Tamales** – Production problems have recovered and are shipping in full.
  - **Armour Vienna Sausages and Always Save Vienna Sausages**, produced by ConAgra, have been placed on allocation effective 10/11/21.

- **Pasta, Pasta Sauce & Salsas**
  - **Prego** – While Prego 45 oz. is seeing slight improvement, it will be constrained through 2021. Alfredo and Queso will be constrained through
2021. Campbell’s is seeing better service level on Prego red sauce items, but challenges are still ongoing with white sauces.

- **Dry Pasta Category** – Significantly impacted by inflation in Durum Wheat.
  - Inflation Drivers:
    - Drought conditions in Durum growing area.
    - North America Durum ending stocks at a 30-year low.
    - Lake Mead at all time low level.
    - Labor, packaging and freight cost increases.

- **Ragu/Bertolli** – Continued delays on Ragu Alfredo white sauce where demand remains very strong and supply is limited. Bertolli is launched a new premium white sauce line summer 2021. Launch has been very successful with repeat customers and very high demand.

- **Classico** – Alfredo will be constrained through 2021 and remains on allocation.

- **Pace** – While Pace 64oz is seeing slight improvement, it will be constrained through 2021.

- **Riviana** – Off allocation and in good supply. This company was acquired by Treehouse Foods, the parent company of American Italian Pasta Company (AIPC) and Bay Valley Foods, effective 9/6/21.

- **Bay Valley/AIPC** – They are back to producing all SKU’s and are in a good inventory position on the majority of their items.

- **Treehouse Foods** – Makers of pasta brands American Beauty, Skinner, Ronzoni, No Yolk, and more announced they will be on allocation during Q4 2021 due to labor shortage in their manufacturing facilities. Promotions have been cancelled. All brands will be subject to a price increase.

- **Barilla** – Continues to see higher than normal demand which has impacted product availability on some SKUs.

- **Ortega** – Taco sauce inventory levels are expected to remain low through Q3 2021.

- **Prepared Foods**
  - **Mac ‘n Cheese** – Best Choice Mac & Cheese Cups will have allocations from the supplier due to an ingredient shortage used in production. Supply is good on Blue Box, 5pk and Dinners open stock. Allocations continue on EZ Mac and Velveeta 4pk and 8pk cups, while shippers remain unavailable. Expected to return to shipping MODS and Shippers October 1.

  - **Compleats** – Continued labor challenges within the production facilities. Dinty Moore & Chicken Alfredo 3 Pack production has been deprioritized.

  - **Potatoes** – No major supply issues from any manufacturers.
- **Bush’s** – Baked Beans/Pork & Beans has ample supply of 28oz coming into the season but are still hesitant to improve promo pricing to drive demand like we’ve seen in year’s past. Labor constraints and rising production costs are the reasons for holding back.

- **Stove Top Stuffing** – Will be on allocation again this year. We are expecting a 9% increase to quantities available this year vs. 2020.

- General Mills has placed several SKUs of OEP sauces on production hold for a 15-week period. These SKUs will be discontinued in our system during that time. Top-Seller item OEP Creamy Queso Sauce will remain active but will be subject to allocations. This production suspension is due to resin shortage on the plastic bottles required for packaging.

- ** Helpers** – Box Dinners are in good shape overall.

- **Chef Boyardee** – Recovered from allocation. Demand remains high on CBAD.

- **Mexican** – Diced Green Chilies overall production has been behind schedule, but Ortega is catching up with produce now becoming available. Primary pack season scheduled to start within the next few weeks. Overall demand continues to be high, putting pressure on this category. OEP has been hardest hit with allocations and shortages. Volume guaranteed by co-packer on chilies was lost during unexpected plant shutdown due to COVID and subsequent freeze, hitting remaining chilies in the field. Ortega 4oz Diced Jalapeños shipping containers originally expected to deliver in April are still awaiting release from customs.

- **LA Choy** – All items are now off allocation.

- **Kikkoman** – 10/15/20oz Soy and Teriyaki sauces are now off allocation.

### Soup/Ramen

- **Campbell’s** – Announced allocation on only RTS (Microwavable) Convenience Soup items. This supply constraint doesn’t affect any Campbell’s Condensed R&W, Campbell’s Chunky RTS, Swanson Broth, or Pacific RTS soup items, where we continue to ship at +85% average fill-rates.

- General Mills will be putting 6 Progresso RTE Soup items on Temp Unavailable, effective 10/31/21, with an unannounced recovery date.

- Always Save condensed Chicken Noodle soup and Best Choice Hearty Vegetable RTS Soup remain on Temp Unavailable from the manufacturer.

- **Nissin** – Announced price increase effective January 17, 2022. Short still on a few Bowl varieties.

- **Maruchan** – Continues to struggle keeping up with production demand. SOLO orders are no longer being accepted. AWG has had to scale back some orders to avoid vendor cuts.
Unilever – Knorr Sides are not on allocation and demand remains strong with more families cooking at home.

Rice

Riviana – Over the next 90 days, Riviana Foods will be experiencing rolling product availability disruptions on Minute Rice Ready to Serve Rice Cups. At times, the allocations may fluctuate between 50% and 92%.

Riceland – No known supply issues.

Mars – Uncle Bens has no known supply issues.

Unilever – Knorr has no known supply issues.

Quaker – No known supply issues.

Canned Vegetables/Beans/Tomatoes

Del Monte – Supply is good and no expected supply chain issues going into the Fall and Holidays.

Seneca – Libby’s Canned Vegetables are mostly back to normal service levels.

B&G Food – Mostly back to normal service levels.

Red Gold – Bumper crops on tomatoes. Service levels close to 100%

ConAgra – Hunt’ and Rotel service levels close to 90% as tomato harvest has been strong.

Bush’s – Bush’s is back to normal. There are not any issues across the brand.

B&G Food – Mostly back to normal service levels.

Bush’s – Bush’s is back to normal. There are not any issues across the brand.

McCall Farms

- McCall Farms – No allocation currently. McCall Farms will be back in stock on Popeye spinach #132316 and #132662 on October 15.
- Giorgio – No allocation currently, but they are experiencing supply issues due to extremely high demand

Shelf Stable Fruit

Dole

- 20oz Pineapple continues to be in good supply for the Holidays.
- 2021 consumption of Pineapple Juice is still 17% higher than 2019. This is putting pressure on supply. All juices will continue to be tight on supply for the upcoming holidays.

Del Monte

- Plastic Fruit Cups – There have been some challenges with internationally sourced items due to the litany of things going on with ocean freight.
- **Base Del Monte Pineapple** – Base branded Pineapple will have some items that will continue to be tight through the end of the calendar year. Challenges in the growing regions along with the Ocean Freight issues have prolonged allocation on a few of the supplier’s base branded items.
  - **Del Monte Pineapple GOLD** – In great shape currently from a supply perspective and expect to be in great shape in the near and long term.
  - **Libby’s Fruits** – Overall Supply is good. International Ocean Shipping challenges are impacting imported fruits (Pineapple). Expecting strong fill rates at AWG through the balance of 2021.
  - **Nestle (Libby’s Canned Pumpkin):**
    - **Pumpkin** – While the harvest went well, Nestle has been pushing out POs to a 30 day lead time. This has caused delays from Nestle to our divisions. All divisions are in good shape on #66654 the 15 oz size. Most divisions also are in good shape on the 29 oz. 140004.
    - **Libby’s 30 oz pumpkin pie mix** – AWG item code 140111. Due to ingredient delays (non-pumpkin) during October, AWG has received about 85% of our asked for shipments. Supply will be very tight in November and December for the Pumpkin mix item code. Affecting all of Nestle’s customers.
  - **Best Choice** – Canned pumpkin on hand inventory is strong across all divisions.
  - **Knouse Pie Filling** – For the second straight year, the Michigan tart cherry crop has been impacted by weather conditions. This year’s crop will be harvested between now and September. Crop estimates are 50% of normal tonnage. The price will be affected not only by crop issues, but by increase in cost of transportation and materials.
  - **Conagra Pie Filling** – Duncan Hines Wilderness & Comstock are in good inventory position for holidays at this point.
  - **Ocean Spray** – Cranberry Sauce Pallet production has been suspended by the manufacturer to focus on execution against the open stock varieties. Allocations will remain in place through the holiday season on Jellied and Whole.
- **Keurig Dr Pepper** – Manufacturer has discontinued production of all Mott’s 4pk Applesauce items due to inability to get pouches from their manufacture until Jan 2022. 12pk Pouches, 6pk Cups, 40oz and 20oz Jars are not impacted and remain in good service.
- **Lassonde** – Best Choice Whole Cranberry on allocation through 2021, with minimal production. Best Choice Jellied line is still producing with minimal supply issues expected.
- **Camerican** – 20z Always Save Pineapple is in temp unavailable status from manufacturer due to vessel shipping issues through mid-November 2021.

- **Salad Dressing, Condiments**
  - **Kraft/Heinz Brands**
    - **Heinz Ketchup** – The 64oz Heinz SKU #101915 had previously been completely deprioritized from all divisions. It has just been reinstated. While there still is an allocation on 38 oz. pallets, Kraft is feeling confident about being able to service this item and will maintain an allocation to monitor fair share to customers.
    - **Heinz Gravy** – All Kraft customers are currently on allocation to protect holiday availability across the board. Kraft is in decent inventory position on the top 4 gravy SKUs covering the core varieties. Kraft is in a stronger position on MODs than open stock and expects to ship all prebooks on MODs. They are seeing more of the gravy flanker SKUs run out of product on the Kraft side. As Kraft runs out of those item codes, they will be marked TU until January 1st.
    - **Lea & Perrins** – Full recovery.
    - **A1 Steak Sauce** – Full recovery happened on October 10.
  - **Conagra Brands:**
    - **Ketchup & Mustard (Hunt’s, Brooks, Gulden’s)** – No known issues.
    - **Salad Dressings (Wishbone, Western, PF Chang’s)** – No known supply issues.
    - **Pickle/Peppers/Relish (Vlasic, Milwaukee)** – Fill rates continued to improve during September as fresh pack has been happening with a good crop.
  - **Unilever Brands** – Hellmann’s Mayo has no known or foreseen supply chain issues.
  - **McCormick Brands** – McCormick’s bottle supplier received a large number of defective bottles that were unable to run on their lines. This will have an
immediate impact on their inventory position on #83667 French’s Sq Mustard 8oz TU until 11/30/21 in all divisions. Cattleman’s #503496 in GO and SO and Cattleman’s #379925 in SP and GC both on TU until 12/31/21.

- **Cereal/Bars:**
  - *Kellogg’s* – Intermittent spot cuts expected due to high demand. Allocation in place on Rice Krispies, Rice Krispy Treats squares/bars, Special K, Snacking Cereal, Froot Loops, Corn Pops, Cocoa Krispies through the end of 2021. No allocation is in place on Pop Tarts. Due to a recent strike at the Kellogg’s Cereal Manufacturing centers, all Kellogg’s Cereal Mods/Shipper will be unavailable from manufacturer until January 2022.

** Kellogg’s **

**Supply Chain Update**
Cereal U.S. Plants Work Stoppage

- Kellogg entered contract negotiations with the Union representing our four U.S. cereal plants on Sep 8.
- Unfortunately, the union has chosen to strike.
- We are committed to negotiating fair and competitive contracts that recognize the important work of our employees and helps ensure the long-term viability of our plants and our business.
- We’ve proposed no changes to health care, no changes to pension for those who have one, and an increase in retirement contributions for qualifying employees.
- In addition, our current proposals include wage increases, enhanced benefits, and a process for improving scheduling and work-life balance.
- Better scheduling practices and work-life balance will help Kellogg retain employees and recruit the next generation of cereal makers.
- We are confident that our proposals can help ensure the long-term success of our employees, our plants and our cereal business.
- We have contingency plans in place to mitigate supply disruptions.

Category Outlook

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- Portable Wholesome Snacks impacted by materials, ingredients, capacity and labor.
- Improvement forecasted at the end of the year.
- Recovering inventory position in Snap’d & Town House.
- Saltines preparing for seasonal demand.
- CI core recovering while CI cauliflowers due to carton supply and labor.
- Club Crackers predominately Snack Stacks investing in packaging capabilities in Jackson.
- Pringles regular high demand projecting improvement at the year end. Truck Allocation in place.
- Issue will remain in Snack Stacks, investing in automation.
- Frozen Breakfast high demand.
- Manufacturing performance issues due to labor and materials unavailability.
- French toast safety stock to be on a better shape in Oct.
- Waffles recovery plans in place, continues improvement in stock and mix starting at Nov.
- Pancakes and Egg Stuffed will remain about trig/w6 and constrained.
- Veggie steady with exception of Links and Bacon which will remain constrained until 2022.
General Mills – Service challenges on Cereal Cups and Nature Valley Granola Cereal due to national labor shortages and resin shortages (these 2 segments represent 45% of year to date cereal cuts). Due to an ingredient issue, Nature Valley and Fiber One granola bars with protein will be unavailable from manufacture through November 2021.

General Mills Supply Chain Update

- **Industry Headlines**
  - Ingredient availability impacting supply
  - Labor shortages continue across the industry
  - Transportation volatility driven by demand increases and driver shortages
  - Macro elements at play (weather, political environment, pricing, etc.)

- **Key Updates to the General Mills Business**
  - Last week’s service levels were 87.1% to AWG
  - Packaging and ingredient shortages accelerate
  - Moving to allocation on: Annie’s Fruit Snacks/Crackers/Cookies, Old El Paso Squeeze Sauce, Totino’s MPK Pizza, and Totino’s Pepp Pizza
  - Removing merch on: Totino’s 4pk Pizza, Toppers Soup, Cinnamon Rolls, Refrigerated Pie Crust, OEP Squeeze Sauces, Annie’s Cereal/Granola, Annie’s M&C Cups
  - Daily work continues to increase reliability of our inbound ingredient supply
Quaker – IQO and SQO Outlook on production, including raw goods and packaging, is strong with no anticipated issues for the balance of the year in production. Single Serve Cups, Grits and Regional Grains (Cornmeal) will remain 90% and the balance of the portfolio anticipated at 98% service in Q4 2021.

Post – No known production issues and service levels remain strong.
Best Choice Box Cereal – Several factors are affecting product availability across Best Choice Cereal. Spot cuts will be seen mainly on Honey Oat Clusters, Strawberry Shredded Wheat, and Raisin Bran SKUs.

- **Pancake Mix and Syrups**
  - **General Mills** – No issues with Pancake mix with overall service levels at 98%.
  - **Quaker** – Syrup allocations are ending in Q3 and both Syrup and Mix outlook for Q4 is 98%+ service level with no production issues.
  - **ConAgra** – All Syrups (Mrs. Butterworth’s, Log Cabin, Country Kitchen) are still in good inventory and service level positions. Have filled at 96-100% over the last three months (May-July).
  - **Hometown Foods** – Not on allocation on any of their products, product supply is excellent, and their supply chain is running well. They continue to offer a full complement of display vehicles (shippers and mods). Fill rates 98-99%. Added significantly more capacity on flour, as well as, on Hungry Jack pancake mixes.

- **Peanut Butter/Jelly**
  - **Smucker’s** – Goober Strawberry and Grape items will remain on allocation. Jif Organic Creamy 16z only PB item on allocation. Extreme weather conditions in the West Coast growing region have impacted the blackberry crop used to produce Smucker’s Blackberry fruit spreads. 18oz Blackberry Jam and 12.75 SF Blackberry will be on allocation immediately. 12oz Seedless Blackberry Jam, 18oz Blackberry Jam, 10oz Blackberry expected to be out of stock, with a Fall 2022 recovery date.
  - **Hormel** – Skippy production continues to remain strong. Only allocation remaining is on Skippy Added protein due to a label issue. Production should begin in late October/early November as labels arrive. In addition, they have started producing shippers again and have adequate availability on those as well (considering the lead time is observed).
  - **Animated Brands** – Peter Pan: Only 40oz sizes are currently on allocation. The SKUs in the grid below are currently on temporary production hold at least through Spring 2022. They are being discontinued by AWG and reviewed again once Animated Brands is back in production.
Welch’s – Jelly is not experiencing shipping issues.

Ferrero – Supply on core Nutella is strong with only small deployment cuts (product is not in forward warehouses at the right times). However, the consumer demand for Nutella & Go items continues to cause supply issues. To alleviate these supply cuts, an additional shift has been added specifically for Nutella & Go pack types. Supplier is now making the Nutella & Go brand 24/7.

- **Shelf Stable Juices**

  - Kraft / Heinz – Currently expected to remain on allocation for all RTD Capri Sun/Jammers Pouch and Kool Aid/Country Time Bursts items until at least Jan 2022. Supplier has deprioritized several Capri Sun and Jammers SKUs to focus on servicing the top performers, as well as, adjusted merchandising nationally. Don’t expect the deprioritized items to become available again until sometime in Q4. KHC Pallets will not be available until Jan 2022.
  
  - Ocean Spray – No issues with 64oz juice. 10oz SKUs are targeted to be on allocation through the end of 2021.
  
  - Campbell’s/V8 – Multi-Pack Beverages will be constrained through 2021
  
  - Dr. Pepper/ Snapple – Glass supplier/availability issues will continue to put a production hold on IBC/Crush 6-pack bottles for the foreseeable future. Plastic bottle supplier/availability issues will result in occasional, temporary shortages on Clamato and Mott’s Apple Juice 6-pack. Aluminum can supplier/availability issues will result in occasional, temporary shortages on Yoo-Hoo 6-pack and 12-pack cans. Manpower availability issues will result in occasional, temporary shortages on Hawaiian Punch 3-Flavor Display-Ready Pallets. No issues with the Fruit Juicy Red pallets. Transportation issues/carrier shortages may create delivery delays.
  
  - Harvest Hill Beverage – Good supply on 64oz. Single serve items continue to experience cuts/delays.
  
  - Old Orchard – Possible risk to product supply in Q4 on 100% Juices. Apple Juice concentrate supply shipments constrained due to container shipment delays
Welch’s – Welch’s 10 oz single serve juice/drink has begun to receive product through a co-manufacturer. However, they continue to have headwinds. The most recent is that their primary bottle supplier has declared a force majeure due to resin availability. This has limited their ability to produce the quantity of bottles they originally committed to Welch’s. Welch’s 10oz single serve will remain on allocation through Q4.

Niagara / Florida Fruit Juice – All Tampico gallon jugs are in good inventory position in all flavors.

Lassonde – Continued import shipping challenges affecting availability. 128oz Best Choice Apple Cider will be unavailable until Jan 2022. 64oz Juicy Berry is experiencing a shortage due to Raspberry supply. Expected impact into Q4 2021. Apple Juice concentrate continues to be in tight supply. We are working with multiple vendors to address member needs.

Coffee / Non-Dairy Creamers:

Smucker’s – Effective October 1st, Smucker’s will no longer need to manage their demand or ration their supply on Folgers Black Silk R&G and K-Cups, Folgers Blonde Silk R&G, Folgers Morning Café K-Cups, and Noir R&G SKUs, as they have been able to overcome some of the supply constraints experienced during the summer months.

Kraft/Heinz – Maxwell House and Gevalia coffee supply is in good shape overall. No coffee items are on allocation. There is only 1 item that will have sporadic inventory (MH Breakfast Blend Bag 11 oz., AWG Code 257634, anticipated recovery is end of October)

Nestle Coffee Partners – Severe supply constraints on Starbucks Cold Brew items. They have been discontinued at AWG until Nestle can adequately supply these items. Cold Brew is anticipated to be back in a good position by January to bring back. The Nestlé USA ambient supply chain is currently under extreme stress and has fallen behind on order processing and fulfillment. These delays are due in large part to the uptick in Delta-related demand, limited labor, port delays and container shortages and impact Starbucks Coffee items.

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Nestlé USA Non-Dairy Creamers (Coffee-mate) – The Nestlé USA ambient supply chain is currently under extreme stress and has fallen behind on order processing and fulfillment. These delays are due in large part to the uptick in Delta-related demand, limited labor, port delays and container shortages as well as constrained supply of raw materials.

Keurig/Green Mountain – Strong supply on all coffee packages, however, transportation issues, (carrier shortages/availability) are creating significant delivery delays. Additionally, COVID-related labor shortages & increased kitted volume contributing to some challenges with pre-packed display shippers.

AWG Brands – No foreseen supply issues in Ground, Single Serve, Instant Coffee and Non-Dairy Creamers.

- Cocoa / Milk Modifiers / Tea:

  - Unilever – Above 95% service level for tea in Q3 for total Tea, with no indication currently for a decrease in service levels. No foreseen supply
issues on Mainstream Cup, Family or Powders including Shippers for Unilever.

- **Reily Foods** – Luzianne Tea has no supply issues. Sufficient inventory to meet demand over the next 120 days.
- **Hershey’s Syrup** – No supply issues. Currently in good supply.
- **Nestle** – No production issues on Milk Modifiers or Hot Cocoa. Currently in good supply. The Nestlé USA ambient supply chain is currently under extreme stress and has fallen behind on order processing and fulfillment. These delays are due in large part to the uptick in Delta-related demand, limited labor, port delays and container shortages, and impact cocoa and milk modifier items.
- **Swiss Miss** – Currently in good supply. No concerns heading into holiday season.

**Cookies / Crackers**

- **Mondelez**
  - The Mondelēz Strike was resolved Sunday, September 19th. Supplier anticipates their staff back by FRIDAY running full lines and working to catch up in production.
  - Anticipate significant fill rate issues ongoing for the near term.
  - Production pipeline fill will take 2-3 weeks/week down.
  - Strike was 6-7 weeks. The supplier anticipates 15-20 weeks to recover without any additional stress points.
  - The fill rates across the country are not very good, with most of DSD branches fill rates at or below 70% and some of their Midwest branches filling below 60% due to the strike and Hurricane Ida in the south.
  - Supplier has more than 100+ items on some sort of product supply allocation at the DSD level. We have allocations of 1 -3 cases per delivery on many items.
  - This does cause issues as most of our AWG stores get 1 to 2 deliveries per week (some larger stores get 2 to 3 deliveries per week).
  - Actions Mondelez has taken:
    - Prioritized their SKUs – A-B-C-D with focus on top 25 SKUs.
    - Placed allocations across all customers on the items they cannot supply.
    - Put several items on temp unavailable status to focus on top-selling SSKs.
- Discontinued lower performing SKUs with SKU rationalization.
- Suggested canceling promotions to maintain shelf stock.
- Club/Town House/Zesta/Toasted – Spot cuts dependent on demand. Planned increases vs. LY.

**MACRO SUPPLY CHAIN CHALLENGES**
*Anticipating issues to continue through 2022 with Domestic and Global Supply Chain Constraints*

- **TRANSPORTATION**
  - Demand Outpacing Supply
  - Alternate Employment Options
  - Equipment Shortage

- **WAREHOUSING**
  - Overall GDP Growth
  - Ecommerce Acceleration
  - Health And Safety Concerns With COVID

- **LABOR**
  - Government Stimulus
  - Industry Shifts
  - Childcare With Virtual Learning
  - Purpose Driven Work

**ACTION PLAN TO DRIVE CUSTOMER SERVICE AND EMERGE STRONGER**

- Added Transportation Investment
- Become “Shipper of Choice”
- Alternate Raw Material Procurement Strategies
- Portfolio Simplification/SKU Rat

- Wage Rate Increases, Sign-on Bonuses, and Incentives
- Reduction in Network Lead-Time
- Investment In Future Manufacturing Capacity & Network Design

*CONFIDENTIAL * DO NOT DISTRIBUTE * FOR BUSINESS PARTNERS ONLY*
**LOOK FORWARD - 2022 HALF 1 SUPPLY OUTLOOK**

**OVERALL PPG IS HEALTHY**
- FAMILY SIZE OREO
- OREO PARTIY SIZE PPG
- OREO REGULAR PPG
- OREO THINS BASE PPG
- OREO THINS FAMILY SIZE PPG
- NEWTONS REGULAR PPG
- TASTES PPG
- GOOD TIMES PPG
- TRISCUIT ORGANIC PPG
- STONE WHEAT THINGS GROCERY PPG

**STRIKE PORTION OF PORTFOLIO IS CONSTRAINED**
- BITES PPG
- CHIPS AHOY! REGULAR PPG
- CHIPS AHOY! PARTY SIZE PPG
- FAMILY SIZE CHIPS AHOY PPG
- END URGE COVERED COOKIES PPG
- GRAHAM'S GROCERY PPG
- FAMILY SIZE GRAMMYS PPG
- RITZ REGULAR PPG
- FAMILY SIZE RITZ PPG
- RITZ 12 OZ PPG
- RITZ PARTY SIZE PPG
- RITZ CHEESE CRESPERS PPG
- SMALL SNACK CRACKER PPG
- SNACK CRACKER FAMILY SIZE PPG
- NILLA GROCERY PPG
- BUTTER BUTTER FAMILY SIZE PPG
- FAMILY SIZE TOASTED CHIPS PPG
- TOASTED CHIPS 2 CT PPG
- TOTAL 16 & KING SIZE PPG
- TOTAL BIG RAG PPG
- TOTAL SNAKE SAYS PPG
- TOTAL C PACK PPG
- TOTAL 6 CUPS 1 CT PPG
- SUG BAKERY PPG
- PIE CRUSTS GROCERY PPG
- OREO (Lakesides (Specific guidelines))

**PPG IS SEVERELY CHALLENGED**
- SINGLE SERVE 13 CT TRAY PPG
- SINGLE SERVE 20 CT VALUE PPG
- SINGLE SERVE 30 CT PPG
- BELVITA 12 CT VALUE PACK PPG
- BELVITA IC PPG
- BELVITA PPG
- BELVITA BCT RETAIL PPG
- FAMILY SIZE CRACKER 50W PPG
- RITZ FILLED CRACKER 50W PPG
- FAMILY SIZE PREMIUM PPG
- PREMIUM 1 OZ PPG
- PREMIUM FRESH STACKS PPG
- PREMIUM REGULAR PPG
- BUTTER BUTTER PATTIE GROC PPG
- EASY CHEESE REGULAR PPG
- HANDS SNACKS 4 PK & 1 CT PPG
- TEDDY GRAMMYS GROCERY PPG
- GRAHAM CRUMBS GROCERY PPG

**MISC. WATCH OUT SKU's**
- Premium: Cheddar (select); Ritz (2); Ritz fresh sticks (select)
- multigrain/SOURDOUGH: Lemon (select; ginger snap, hong grahams per email)

○ Ferrera
  - Overall service level between 80%-85% due to high demands.
  - U – Healthy supplies; might see some discrepancies in November due to material availability, demand changes, and capacity constraints.
  - **Mothers** – Healthy supplies

○ Kellogg:
  - **Club/Town House/Zesta/Toasteds** – spot cuts dependent on demand. Planned increases vs. LY.

**AWG Brands**
- Shearer's – Struggling with staffing issues at the Cookie/Cracker plant and allocations through 2021
- Bay Valley/ Treehouse
  - Due to production constraints caused by ongoing higher than expected demand, impacts of the COVID-19 pandemic, labor challenges, and tight days of supply Saltine and Oyster crackers will be placed on controlled deployment (allocation).
The projected get-well date for all items is January 1, 2022. They will also begin temporarily suspending production of unsalted and wheat saltines, as well as temporarily suspending production of graham sticks, graham bears, chocolate grahamas, and chocolate animals.

- **Fruit Snacks**
  - **General Mills** – Many Betty Crocker fruit snacks are still on allocation to assist on building inventory levels to a more manageable state.
  - **Ferrara**
    - Overall service level between 80%-88% due to high demand.
    - **Funables** – Healthy supplies outside of high demands in baby shark. Should be recovered by October 18th.

- **Salty Snacks**
  - **Quaker**
    - Quaker Popped and Rice Chips will remain 98%+ through Q4.
    - Quaker Rice Cakes are on allocation through the end of the year with no anticipation of improvement currently.
  - **Conagra**
    - **Act II & Orville Redenbacher’s** – No supply issues currently. Shippers back on promotion at the start of 2022
    - Slim Jim Giant is no longer on allocation. Slim Jim multipacks will remain on allocation into 2022.
    - Angie’s BOOMCHICKAPOP & Crunch ‘n Munch RTE popcorn are in good inventory and service level positions.
    - DAVID seeds are in a good inventory and service level position.

- **Candy**
  - **Hershey’s**
    - Chocolate Package Candy (Increased Demand & Capacity Constraints)
      - **Reese's Thins** – Anticipating cuts through September.
      - **Heath Miniatures** – Anticipating cuts through December.
      - **Kit Kat Miniatures** – anticipating sporadic cuts through November (manufacturing issues).
• Reese’s White & Dark Choc Miniatures – Anticipating cuts through November (manufacturing issues).
• York & York Thins – Anticipating cuts through December.
• Rolo Miniatures – Anticipating cuts through December.

- Hand-to-Mouth Pouches (Increased Demand & Manufacturing Issues)
  • Hershey Drops, Cookie & Crème, & Reese Pieces – Anticipating cuts through November
  • Rolo Minis – Anticipating cuts through November.
  • Reese’s Minis and Reese’s White Minis – Anticipating cuts through March 2022.

- 8 Packs (Increased Demand & Capacity Constraints)
  • Reese’s 8 Packs – Anticipating cuts through November. 
  • Milk Chocolate 8 Packs – Anticipating cuts thru November.

- 5 Packs (Increased Demand & Capacity Constraints)
  • All Flavors – Anticipating cuts thru November

- 6 Packs Full Size (Increased Demand & Capacity Constraints)
  • PayDay and Reese’s Big Cup 6 Packs: Anticipating cuts, Reese 6 Pks: Anticipating cuts thru November

- Ice Breaker Bottle Pack Gum (Increased Demand & Capacity Constraints)
  • All Flavors – Anticipating cuts through December.

- Standard Bars (Increased Demand & Capacity Constraints)
  • Reese’s Big Cup – Anticipating cuts through November.
  • PayDay – Anticipating cuts through December.
  • Take 5 – Anticipating cuts through December.

- King Size (Increased Demand & Capacity Constraints)
  • PayDay – Anticipating cuts through December.
  • Take 5 – Anticipating cuts through December.
Hershey’s

SUPPLY CHAIN FOCUS AREAS

- Labor Strategy: Employer of Choice
- Optimize Transportation
- Investment in Core Capacity

HERSHEY EXPANDING CAPACITIES

Investing in core capabilities and brands with capital spend 2x our CPG peer group. 2020 spend being realized in Q4 2021 & 2022. New capital approved Aug 2021 on Reese packtypes.

<table>
<thead>
<tr>
<th>Products</th>
<th>Timing</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
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<tbody>
<tr>
<td>Reese Cups (2)</td>
<td>Timing</td>
<td>Nov ’21</td>
<td>Now producing!</td>
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<tr>
<td>Reese Shapes (2)</td>
<td>Timing</td>
<td>Nov ’21</td>
<td>Now producing!</td>
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<tr>
<td>PayDay</td>
<td>Timing</td>
<td>Nov ’21</td>
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<tr>
<td>Almond Joy/Mounds</td>
<td>Timing</td>
<td>Dec ’21</td>
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<td>JR Hard</td>
<td>Timing</td>
<td>Dec ’21</td>
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<tr>
<td>JR Gummies</td>
<td>Timing</td>
<td>Aug ’22</td>
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<tr>
<td>Reese Snack</td>
<td>Timing</td>
<td>Sep ’22</td>
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<td>Reese Thins</td>
<td>Timing</td>
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<td>Reese Miniatures (2)</td>
<td>Timing</td>
<td>Q3 2023</td>
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<tr>
<td>Reese Big Cup</td>
<td>Timing</td>
<td>Q4 2023</td>
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</table>

- Mars Wrigley
  - Items will continue to be constrained due to a combination of packaging constraints and increased demand.
  - Mars Corrective Actions – Prioritize high & medium turn SKUs, maximize Output with fixed schedules reducing change overs,
allocations on fair share, focus open stock vs. displays, approved overtime, sign on bonuses, incentive bonuses, modify pay scales, recruitment of full-time associates, automate tasks and job fairs.

- **Gummies** – Securing increased capacity, separate line for Starburst airs production, cancelled displays & reducing promotions, increasing Sup Baggers.
- **Planning** – Limit early delivery requests. Extensive SKU rat 2020, focus on displays 2022 innovation & moments, staggered Gummies launches in 2022.
- **Carrier Capacity** – Ongoing review of carrier scorecards, increasing contracts with reliable partners. Delivery vs CPU reviews
- **Ferrara Pan Company**
  - **Candy** – Overall service level between 70%-75% due to material availability, supplies availability, and high demands.
  - **SweeTart Ropes** – Service levels around 65% until end of year due to material availability, capacity constraints, and high demands.

- **Baking**
  - **ConAgra**
    - **Cooking Spray (PAM)** – Shippers are now available, but with limited quantities.
    - **RTE Pudding (Snack Pack)** – ConAgra announced pending allocations on the Snack Pack line through the end of the year. Constraints caused by Back-to-School increased demand as well as packaging shortages. Displays will not be available during this time.
  - **Cooking Oil**
    - Prices continue to climb due to several factors including surge in renewable biodiesel from soybeans, bulk buying from China, labor issues, and adverse weather on palm and soya producing areas.
    - Allocations have been placed on many items from the manufacturers due to bottle and cap shortages. At this time no timeline has been given for recovery.
  - **Sugar**
    - Hurricane Ida had a large impact on Domino’s supply chain. The Louisiana facility sustained damage but is now back up and running.
AWG has a new supplier for store brand artificial sweeteners. Product is shipping now and in stock position will continue to improve.

- Baking Chocolate
  - Store brand baking chips (milk chocolate, minis) and almond bark will be on allocation due to supplier shortage.

- Spices
  - McCormick
    - McCormick continues to have labor issues within their plants, causing some manufacturer delays, but product is available, and less than 20 items are on allocation or unavailable currently.
    - McCormick cans (Black Pepper, Old Bay), and 4 oz. spices are on allocation.
    - Best Choice Shippers (gravy, spices, and black pepper) are still being delayed. Some DCs are receiving them now but anticipate a shortage. Once we identify the actual shortage amount, we will work with the supplier on converting to open stock.
    - McCormick has less than 50 items on allocation down from less than 550. Not all items on allocation are carried by AWG. Approximately, 35 of the items on allocation are carried by AWG.

- Nestle Baking
  - DeKalb Mixing Center still having issues getting product moved out of the facility due to labor and trucking constraints. Several key baking items may be impacted by continued delays.

- Water
  - Fiji Water – Fiji is anticipating supply challenges through the end of 2021 due to significant overseas shipping delays.
  - Nestle USA (Blue Triton) – Bottled Water demand is outpacing supply by a wide margin. Production is insufficient to satisfy all orders for customers. Their lines are running well and are working on trying to deliver as close to prior year sales. Unfortunately, this supply situation continues to remain an issue. We are working to make sure they have adequate forecast for AWG business.
  - Niagara Water – Continues to struggle to provide product. Demand is outpacing supply.
• **Soda**
  
  - Dr. Pepper/Snapple – IBC and Crush are no longer in production and are discontinued due to the availability of glass bottles. Yoo-Hoo cans are constrained so there is a possibility of moderate cuts.

• **Sport Drink**
  
  - Quaker – Gatorade pallets are unavailable and have been discontinued. Open stock is currently on allocation. Gatorade will reevaluate allocations for Q1 2022.
- **Powdered Drink Mix**
  - **Kraft** – Kraft continues to have service challenges on Crystal Light multiserve canisters. Their 10-12qt items are expected to remain on allocation
until at least October 2021 and the 6-8qt items have been deprioritized until sometime in Q1 2022.

- **Baby Formula**
  - Abbott
    - Vendor was awarded 5 WIC contracts and is experiencing increased demand.
    - Vendor has added additional production and personnel resources to the AWG account.
    - AWG is 90%+ recovered and in stock on Abbot items.
    - Vendor Anticipates full recovery by Q1 2022.
  - Nestle / Gerber
    - The vendor is experiencing unprecedented product demand and labor shortages.
    - We are seeing delays of 30+ days on orders.
    - Vendor does not anticipate full recovery in 2021.
    - WIC orders are included in the orders that are not shipping.
    - AWG is in contact with several WIC offices.
    - State WIC offices are aware of the issue with Nestle / Gerber and are not penalizing retailers.
  - Mead Johnson
    - The vendor is experiencing unprecedented demand (+70% 3year avg. in the last three months).
    - Vendor has labor shortage.
    - Mead is consolidating DCs in an effort to better service AWG customers.
      - PO level status updates are being provided twice weekly to AWG.

**Grocery Non-Food Updates**

- **Diapers**
  - Procter & Gamble
    - All taped diapers are on managed supply.
      - Supply is healthy but just managed at a lower level.
      - Anticipated full recovery by Q1 2022.
    - Wipes and training pants are on allocation
      - AWG is only getting a smaller percentage of our normal usage every month.
      - Anticipated full recovery by Q1 2022.
• **Pet Care**
  
  ○ **Nestle Purina**
    - No promotional activity through end of 2021 on Tidy Cat Lightweight Litter, All Wet 13oz Dog & 5.5oz Cat Food both on single varieties and variety packs. Purina ONE cat and dog will suspend promotional activity through end of Q1 2022 due to supply constraints.
    - Product constraints on Dry Food will be sporadic on Alpo Dry Dog, Moist n Meaty and select Dog Chow items.
    - Production and supply issues across the Purina portfolio may persist and product cuts are expected to continue through end of year. There are allocations across the Fancy Feast 3 oz LW Jug, EL Jug and Friskies. Implemented a late June price increase.
  
  ○ **Mars Pet**
    - Pedigree Dry Dog has no supply issue at this time, and no cuts expected.
    - Pedigree Wet Dog is still experiencing high demand, but allocations have officially been lifted.
    - Cesar cuts are expected to continue to the end of the year. Allocations will be in place.
    - IAMs Dry Dog and IAMs dry cat have no supply issues at this time and no cuts expected.
    - Greenies production facility is constrained by labor shortages. On allocation.
    - Dentastix production facility is constrained by labor shortages. On allocation.
    - Temptations production facility is constrained by labor shortages. On allocation. Expected recovery by year’s end.
  
  ○ **J.M. Smucker**
    - The accompanying supply headwinds due to COVID have increased the difficulty of meeting product availability in key segments. This has resulted in supply disruptions and forced allocations across their portfolio. Their supply team has been working diligently to minimize service disruptions and they need to place items on hard allocation. Below you will find further actions they’ve taken:
- Supply chain status is constantly changing and evolving to meet the increased demand and supply chain disruptions over the last year.
- Anticipate demand to continue to be strong and for the disruptions in the industry to persist for the foreseeable future.
- Will continue to provide updates and additional clarity and direction as information becomes available.
- Effective in October Meow Mix and 9 Live Select 3lb – 13lb Dry Cat will placed on allocation due to supply chain disruptions and strong demand.

### Wet Food Outlook:
- The demand outlook for wet food is volatile, driven by changes in consumer behavior and overall industry disruption. JMS is investing in plant efficiencies and capacity to maximize output and meet the needs of new pet parents. Unfortunately, commitment on a firm recovery date will depend largely on the easing of international transportation constraints. Domestic wet food items (9Lives) have and will continue to experience improvements in service levels. They have shorter lead times and fewer logistical challenges than internationally produced items. Supplier is confident in their ability to service domestic items at a high rate. International items (Rachael Ray Nutrish, Meow Mix, and Nature’s Recipe) are constrained by headwinds in international trade and transportation and are also impacted by longer lead times to produce. Recovery on these items will be a longer journey than domestic.

- **Freshpet**
  - OKC Division is now shipping from the Dallas DC.
  - Freshpet Roll items have moved to 24/7 production and improvement in fill rate was significantly higher in September.

### Paper (Toilet Tissue & Paper Towels)
- Toilet Paper consumer demand has started to exceed production and safety stock has been deplenished at Georgia Pacific and Procter & Gamble.
- P&G and Georgia Pacific have implemented allocations which are based on last year historical shipments. P&G allocation through the end of the year does not support both turn and promotional volume. All POs for
pallets have been cancelled. Inventory in divisions may not support conversion to open stock for these cancelled pallets.

- P&G recommendation is to cancel ads through end of the November, possibly through the end of the year.
- Kimberly Clark reports good inventory position on Toilet Paper and Paper Towels, but struggles to ship POs within normal leadtime due to labor issues and transportation constraints.
- Modified EDLCs remain in place through the year end.
- SOLOs are restricted on Toilet Tissue and Paper Towels for Procter & Gamble, Kimberly Clark and Georgia Pacific.

- **Facial Tissue**
  - Facial Tissue sales have been weaker than normal during cold and flu season. The mask mandates in many communities prevented cold and flu spread this season. In stock positions are strong on all brands of facial.

- **Dish Detergent**
  - P&G still experiencing some tightness on inventory on the Cascade large count tubs.
  - Likewise, Reckitt is also having sporadic cuts on Finish products. Expect improvements by year end.

- **Laundry**
  - P&G announced an allocation on Dryer sheets and scented beads through the year end due to component constraints.

- **Charcoal**
  - Clorox is building inventory back on flavored items. They will continue to cut flavors (cherry/apple, etc.) through the end of the year.
  - Outlook on charcoal from Best Choice & Royal Oak to continue to improve through the year end.

- **Storage Bags/Wraps**
  - SC Johnson – Ziploc remains on allocation going into Q4. Manufacturer cuts continue to be significant with little improvement YTD

- **Household Cleaning**
  - Household Cleaner demand remains high as consumer behavior has
changed with more frequent cleaning of hard surfaces. Expect the trend to continue well into 2021-2022. Triggers continue to be the main issue causing out of stocks due to packaging constraints. Currently reviewing all items that have not been received in past 6 weeks and will set to discontinue until product is available.

- **Table Top** – Disposable Plates & Cups are still impacted by strong consumer demand. Less trips to restaurant and increased stay-at-home resulted in allocations from all the national brand manufacturers.

- **Reynolds** – Foam plates are off allocation. Pallets will be available in October and at that time SOLOs will be available. Recommend EcoSave Plates as an option to Dixie.

- **GP** – Dixie Plates remain on allocation the remainder of the year and through 2022. Allocations are averaging 50% of 2020 allocation. Cannot support promotional activity for the remainder of the year.

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**GP Market POV – wide range of outcomes for rest of the year and beyond**
VMC SPECIFIC UPDATES

The most serious Supply Chain issue in VMC presently is importing. We are monitoring our imports daily. Listed below are excerpts from an article in the Home Page News by Mike Duff, Contributing Editor, from October 11:

Imports

The news reports of scores of ships parked outside the ports of Los Angeles and Long Beach are troubling enough without considering estimates that the trucking industry in the United States is short 60,000 drivers and the reality that freight has been sitting alongside U.S. railroad tracks, in some cases unmoved for months, with the inventory of
American companies piled up in Chinese factories because no practical way exists to move it across the Pacific.

The effects on this holiday season will be profound, and any real progress in untying the present transportation mess probably won't occur until well into next year at best.

Dollar Tree’s president and CEO Michael Witynski detailed the retailer’s supply chain challenges in a conference call. Although the company is focused on dealing with the situation while finding ways to deliver value merchandise to consumers, higher freight costs and other inflationary pressures are impacting the operation given its low-price proposition to consumers.

He pointed out that freight costs have reached unprecedented levels because of increased demand, limited capacity and shipping delays. As spring turned to summer, he said, the Shanghai Containerized Freight Index, which reflects spot rates on ocean freight from China, had already hit an all-time high, up more than 280% versus the year before and more than 400% from 2019. He added that rates have continued to rise, increasing more than 20% since late May.

Cost isn’t the only problem Dollar Tree faces, Witynski said. After the 2021 first quarter, the company’s updated freight outlook assumed that its regular ocean carriers would fulfill only 85% of their contractual commitments. By late August, Dollar Tree projected its regular carriers would fulfill only 60% to 65% of their commitments, and it would have to consider use of the spot market, where rates had soared to much higher levels than anticipated.

Witynski said the company doesn’t expect new shipping to come online until 2023, and it doesn’t expect significant improvements in international transportation costs during 2022.

Jeff Bergmann, executive director of the International Housewares Shippers Association, said that the ability to book container ship space two weeks out, once typical, had long passed. By mid-September, shippers were booking for November, he noted. With many shipments running into the log jam at Los Angeles and Long Beach ports, along with slowdowns at other West Coast landings, the ability to move goods in a timely fashion will continue to be significantly hampered. At the same time, the costs of pushing through shipments by other means have become onerous, if not prohibitive.

“There are open market rates out there where people are paying $20,000 to move a container into the West Coast,” Bergmann said.
Even if a container makes it through the ports, the shipper faces all the transportation troubles affecting the U.S., including the dramatic shortage of truck drivers and overwhelmed railroads that have been piling up shipments that in some cases have remained unmoved for months, Bergmann said. The cost of getting a container into Chicago, once about $3,500 now can reach $20 grand, he said.

We have experienced cost increases on quoted items for upcoming seasons as well as items that are on the water. This is unprecedented, but it is due to the ever-changing freight, labor, and material costs the factories are experiencing.

Domestically, we are affected by record transportation costs, raw material shortages and cost increases, and shortages in packing materials such as glass, cartons, plastic bottles, corrugate, and aluminum. Major vendors with issues are listed below:

- **Hispanic Foods**
  - **Topo Chico**
    - Issues with getting glass. Late orders and cuts on orders.
    - Get well date Late December – 2021 or early next year.
  - **Lala Drinks**
    - Labor issues and materials not available. No promotions given at this time.
    - Get well date early November 2021.
  - **Boing Products**
    - Raw materials and glass not available.
    - Get well date early November 2021.
  - **Goya Products**
    - Increase of freight raw materials and imported product not getting unloaded at the ports.
    - Get well date early November 2021.
  - **Valentina Hot Sauce**
    - Struggling to get glass to bottle the product. Late orders.
    - Get well date late December 2021 or early next year.
○ **Mexican Coke**  
  - Struggling to get glass to bottle the product. Late orders.  
  - Get well date Late December 2021 or early next year.

○ **Foco Juice Water and Coconut Water in general**  
  - Product not getting unloaded at the ports. No product anywhere.  
  - No ETA given on this product.

○ **San Marcos**  
  - Struggling on raw material for Peppers and Beans.  
  - Get well date early November 2021.

○ **Vilore**  
  - Struggling on raw materials for Peppers, Beans, and Salsas. A lot of late orders and cuts on orders.  
  - Get well date Late December 2021 or early next year.

○ **La Preferida**  
  - Struggling on raw material for Tomatillo Salsa, Salsa in general, and beans.  
  - Get well date early November 2021.

○ **Nestle Products**  
  - Struggling on raw material. Commonly late orders.  
  - No ETA given on this product.

○ **Badia Spices**  
  - Struggling on raw material- Orders getting prorated.  
  - No ETA given on this product.

○ **Novamex - Jarritos Drinks**  
  - Issues with getting glass and a production plant that was destroyed by weather. Cuts on orders and late orders.  
  - Get well date late December 2021 or early next year.

○ **La Moderna - Pasta and Cookies**  
  - Late orders and product being cut on orders. We have been struggling for months with this vendor on communication.  
  - No ETA given on this product.
- **El Pato Sauce**
  - Late orders and product being cut on orders. Vendor is struggling with labor.
  - No ETA given on this product.

- **Unilever Products- Knorr items**
  - Late loads and cuts on orders. Knorr products have been very limited since Covid-19 started.
  - Early- November-2021 or until end of the year.

- **Dollar Foods**

  - **Bud’s Best Cookies**
    - Labor issues.
    - Get well date of January 2022.

  - **A&A Global Industries, Inc. (Koko’s)**
    - Supply chain and import issues.
    - Get well date of 12/1/2021.

  - **Kidsmania**
    - Supply chain and import issues.
    - Get well date of first quarter 2022.

  - **Transnational**
    - Import and supply chain issues.
    - Get well date of 1/31/2022.

  - **M.W. Polar**
    - Import and supply chain issues.
    - Get well date of 1/31/2022.

- **Health Beauty and Wellness**

  - **Digestive**
    - Psyllium fiber shortages are negatively affecting many products in the digestive category.
    - Tums products are having supply issues.
No get well date ETA on Tums. Psyllium fiber products could be the end of December.

**Bayer**
- **A&D, Lotrimin/Tinactin Creams** – Supplier change due to ongoing labor issues. Get well date Q1 2022.
- **Lotrimin/Tinactin Sprays** – Product recall. Get well date Q1 2022.
- **Afrin No Drip Sprays** – Supplier change due to ongoing labor issues. Get well date December 2021.
- **Alka Seltzer Plus Power Max Gels** – Bulk issue. Get well date November 2021.
- **Miralax 7, 14 and 45 dose** – Additional supplier to be added due to ongoing demand. Get well date November 2021.

**Raritan**
- Having difficulties getting caps/raw materials for vitamins, especially fiber vitamins.
- No ETA on a get well date.

**Kimberly Clark**
- Production constraints on UBK Click tampons due to container congestion on raw material shortage.
- VMC inventory healthy on UBK Click Tampons currently.
- Expected heal date Q1 2022, though fluctuates based on port congestion in CA.

**Colgate**
- New warehouse management system is causing delays with getting trucks pre-loaded on time.
- Manual toothbrushes and power toothbrushes get well date of the early 2022.

**Unilever**
- Warehouse delays and some supply shortages.
- Get well date of the end of December.

**Procter & Gamble**
- Metamucil, Pepto, Align and select Vicks get well date December/January.
- Crest 3D White Brilliance get well date late February 2022.
- Tampax, Always Naturals & This L get well date December/January.
- Pantene, Herbal Essences, Aussie & Old Spice get well date early 2022.

○ US Cotton
  - Supply issues caused by labor shortage.
  - ETA 2Q 2022.

○ Chattem
  - Icy Hot Max Lidocaine No Mess 2.5 oz – Get well date early January ’22.

○ Glaxo Smith Kline
  - Centrum
    - Gummies – get well date March 2022
    - Women’s/Women’s Silver small size – get well date end of October 2021.
    - Women’s/Women’s Silver large size – get well date end of December 2021.
  - Advil get well end of October 2021.
  - Tums
    - Tablets- get well date end of October 2021.
    - Chewy Bites- get well date January 2022.
  - Preparation H Wipes get well date Q1 2022.
  - Citrucel Powders get well date October 2021.
  - Benefiber get well date October 2021.

○ Johnson & Johnson
  - Listerine get well late January 2022

○ Abbott
  - Though actions are being taken to improve available supply, service levels are expected to remain below expectations for an extended period; Ensure Base (Jul 2022), Glucerna (Jul 2022).
  - These items are on temp out until further notice:
Clif

- Clif Bar, Clif Kid ZBar, and Clif Kid ZBar Protein – Improved case fill rates by the end of this year, with intermittent hotspots through Q1-2022
- Luna Bar, Luna Protein, Builders, and Bloks – Case fill rates challenges extending into Q2-2022.

Premier Nutrition

- We are anticipating that by November 1, these items will be available on a regular basis.
  - Item Code: 754536 Premier Protein Banana 3-4pk
  - Item Code: 718233 Premier Protein Oats and Maple 3-4pk.
  - Item Code: 718230 Premier Protein Blueberry Cream 3-4pk.
  - Item Code: 718232 Premier Protein Apple Cinnamon 3-4pk.

Natural – Organic – Specialty Foods

- Newman’s
  - Production issues on Alfredo Sauce.
  - Allocations to continue for the near future.

- King Arthur
  - Continued allocations.
  - No ETA for this vendor.

- Giuliano’s
  - Glass shortages resulting in shortage of jars.
  - ETA of the end of November.
○ **General Mills**
  - Consistently out of product with long lead times.
  - No ETA for this vendor.

○ **World Finer Foods**
  - Container shipping costs for Reese water chestnuts. DaVinci pasta has limited items.
  - Canceled show deals on water chestnuts.
  - No get well date on these items.

○ **Old South**
  - Raw material and labor shortages.
  - Get well date of the end of November.

○ **Honest Kids**
  - Raw material and labor shortages.
  - Get well date of the end of November.

○ **Nestle Premium Waters**
  - On allocation and canceled all promotions.
  - Get well date of the end of November.

○ **Stubbs Marinades**
  - Allocations due to glass shortages.
  - Get well date of the end of November.

○ **McCormick**
  - Raw material shortages, glass shortages, labor issues.
  - Get well date of the end of November.

○ **Haribo**
  - Allocation on all products. Changing systems to SAP.
  - Get well date of the end of November.

- **General Merchandise**

  ○ **Spectrum Pets**
    - Can shortages have caused supply issues.
    - ETA 2/1/22.
- **SCJ Insecticides**
  - Can shortages have caused supply issues.
  - ETA 12/1/21.

- **SCJ Glade**
  - Can shortages have caused supply issues.
  - ETA 12/1/21.

- **Worthington Cylinder (Propane)**
  - Limited supply of cylinders to fill and labor issues.
  - No ETA for this vendor.

- **Canines Choice – Best Choice Dog Bones**
  - Issues with importing.
  - No ETA for this vendor.

- **3M**
  - Mexican Government shut down production due to COVID. Issues in Asia and containers.
  - No ETA for this vendor.

- **Charles Leonard**
  - Import and freight causing product delays.
  - No ETA for this vendor.

- **Sterilite**
  - Raw material and labor shortages.
  - July 2022 - expecting to be in full production.

Thank you for your continued support. Good selling and success to you.

Tye Anthony  
AWG SVP, Merchandising & Analytics

Dave Sutton  
President, VMC