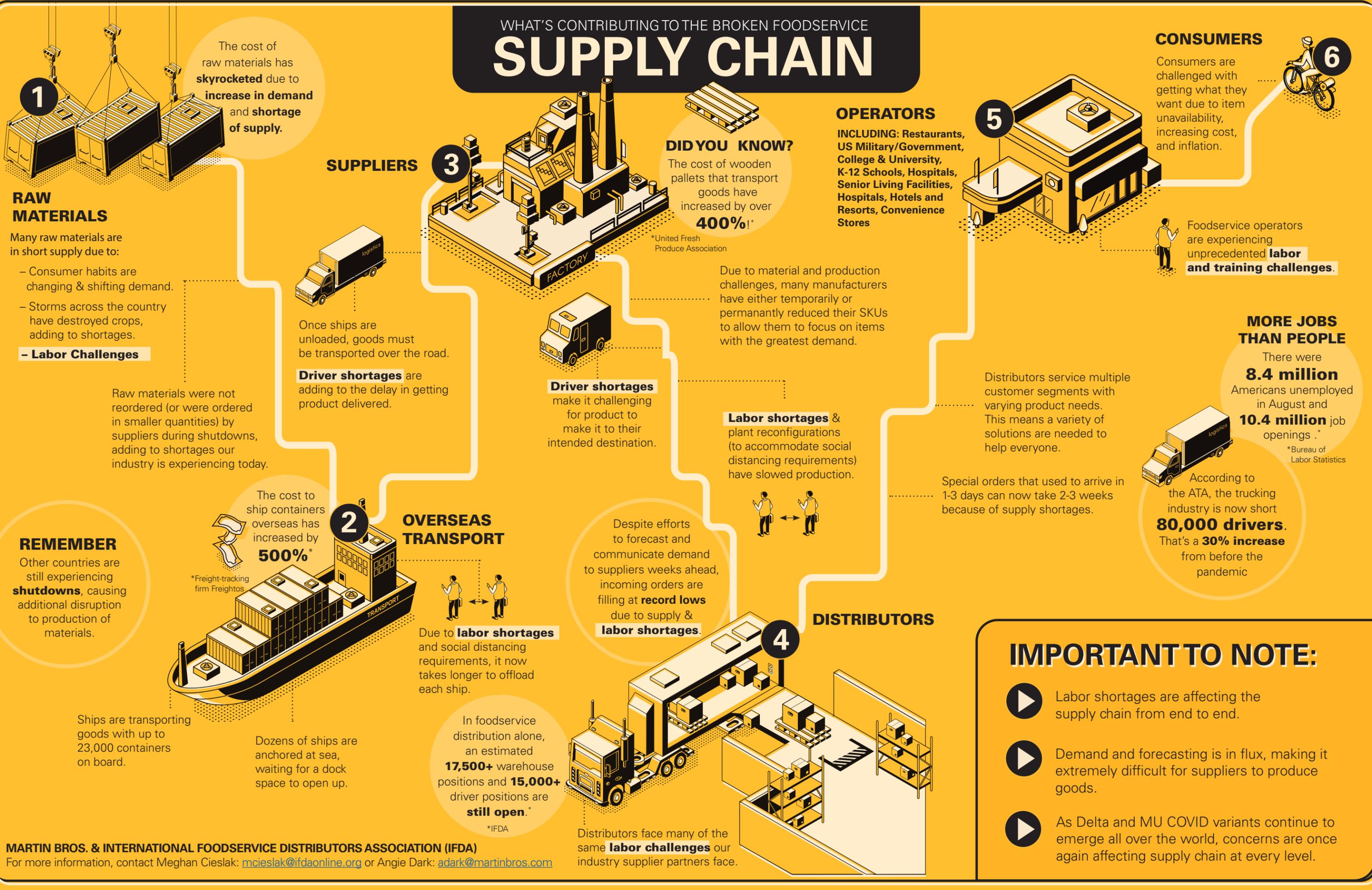


WHAT'S CONTRIBUTING TO THE BROKEN FOODSERVICE SUPPLY CHAIN



1

RAW MATERIALS

Many raw materials are in short supply due to:

- Consumer habits are changing & shifting demand.
- Storms across the country have destroyed crops, adding to shortages.

- Labor Challenges

The cost of raw materials has **skyrocketed** due to **increase in demand** and **shortage of supply**.

Raw materials were not reordered (or were ordered in smaller quantities) by suppliers during shutdowns, adding to shortages our industry is experiencing today.

REMEMBER
Other countries are still experiencing **shutdowns**, causing additional disruption to production of materials.

SUPPLIERS

3



Once ships are unloaded, goods must be transported over the road.

Driver shortages are adding to the delay in getting product delivered.



DID YOU KNOW?
The cost of wooden pallets that transport goods have increased by over **400%!**

*United Fresh Produce Association

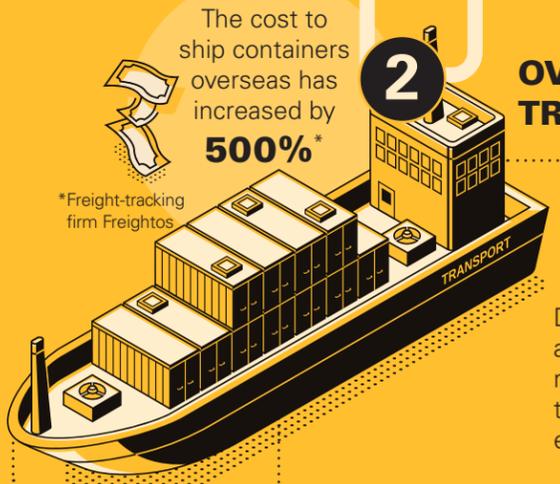
Due to material and production challenges, many manufacturers have either temporarily or permanently reduced their SKUs to allow them to focus on items with the greatest demand.



Driver shortages make it challenging for product to make it to their intended destination.

Labor shortages & plant reconfigurations (to accommodate social distancing requirements) have slowed production.

2



The cost to ship containers overseas has increased by **500%***

*Freight-tracking firm Freightos

OVERSEAS TRANSPORT



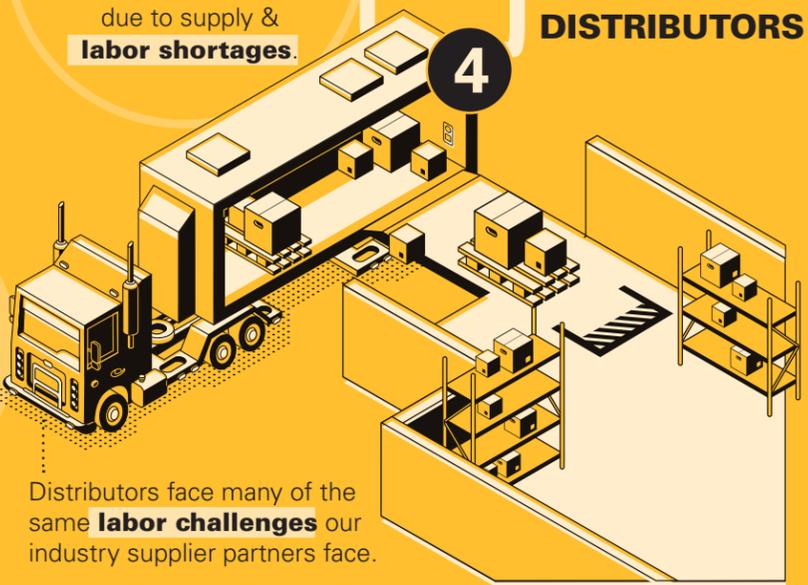
Due to **labor shortages** and social distancing requirements, it now takes longer to offload each ship.

Despite efforts to forecast and communicate demand to suppliers weeks ahead, incoming orders are filling at **record lows** due to supply & **labor shortages**.



DISTRIBUTORS

4



Distributors face many of the same **labor challenges** our industry supplier partners face.

In foodservice distribution alone, an estimated **17,500+** warehouse positions and **15,000+** driver positions are **still open.**

*IFDA

5



OPERATORS

INCLUDING: Restaurants, US Military/Government, College & University, K-12 Schools, Hospitals, Senior Living Facilities, Hospitals, Hotels and Resorts, Convenience Stores

CONSUMERS



6

Consumers are challenged with getting what they want due to item unavailability, increasing cost, and inflation.



Foodservice operators are experiencing unprecedented **labor and training challenges**.

MORE JOBS THAN PEOPLE

There were **8.4 million** Americans unemployed in August and **10.4 million** job openings.*

*Bureau of Labor Statistics



According to the ATA, the trucking industry is now short **80,000 drivers**. That's a **30% increase** from before the pandemic

Special orders that used to arrive in 1-3 days can now take 2-3 weeks because of supply shortages.

IMPORTANT TO NOTE:

- ▶ Labor shortages are affecting the supply chain from end to end.
- ▶ Demand and forecasting is in flux, making it extremely difficult for suppliers to produce goods.
- ▶ As Delta and MU COVID variants continue to emerge all over the world, concerns are once again affecting supply chain at every level.