



Corporate Office: N4993 6th Drive, Westfield, WI 53964-9511 • Phone (608) 296-2121 • www.brakebush.com

Date: October 14, 2021
To: Our Valued Customers
Subject: Industry Update

The entire foodservice industry is experiencing product shortages and interruptions in business. Significant labor and supply chain issues are the result of the 2020/2021 pandemic.

Below are some of the challenges affecting supply and pricing:

- **Labor crisis at deboning facilities**
 - Lines at harvest facilities may literally be shut down. This means less meat available.
 - We are not seeing an increase in bird supply in the foreseeable future.
- **Labor crisis to further process meat**
 - Processing shifts and/or in some cases total production lines are temporarily shut down.
 - We are not seeing an upsurge in production capacity in the foreseeable future.
- **Materials necessary for processing**
 - Fryer Oil, Breeding's, Seasoning, Nitrogen, CO2, Plastic Film, Pallets, etc. are in short supply and/or have delays in delivery. Costs on these components continue to rise.
- **Freight costs and driver shortages**
 - A national shortage of drivers & surge in demand for product has driven freight costs higher and challenged timely deliveries in various markets.
- **Demand for product**
 - Commercial and Non-Commercial venues are re-opening operations thus pushing up demand. This will continue.

All of these pandemic-induced factors are leading to ongoing product shortages and extremely high poultry markets. We do not see the issues stated above correcting until late Q2 2022.

For these reasons we are not able to continue with annual fixed price contracts, bid pricing or agreements that guarantee supply. Price list changes will be inevitable as we review high markets leading into 2022.

If anyone has questions or would like to discuss these issues further, please contact your Brakebush sales representative.

Robert Caradonna
Vice President of Sales & Marketing
C 608-347-8261
Brakebush Brothers, Inc.