



Foster Farms
1333 Swan Street
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August 17, 2021

TO: Valued Foster Farms Customers
FROM: Jeff Hayman
Director Foodservice Distribution
RE: Foster Farms Prepared Foods Update

Throughout the pandemic Foster Farms has kept you, our customers, informed about happenings within the organization regarding supply issues with various parts of our business. Sticking with that theme, we would like to share current information about our plants, production, and how we are handling issues surrounding our mutual business.

Foster Farms is experiencing an ongoing shortage of labor, the same as all of you, in our business. For us, this translates to production schedules not being met which leads to shortages on our end. We are aggressively recruiting, training, compensating, and working to retain our employees but we cannot get enough employees to fill all the vital production roles within our organization. Having framed the discussion, the following are several points we would like to share to prepare you for the coming weeks and months.

Corn Dogs:

- We will have spot shortages on all SKUs as we constantly have to adjust production to our available workforce and adjust our material procurement strategies to deal with inbound material shortages.
- We are dealing with week to week production issues not just with labor, but also procuring parts for equipment and qualified technicians to service the equipment.

Fernando's:

- Compton is experiencing spot labor issues that we are addressing as outlined previously.
- We now have a more focused lineup of product offerings and have product ready for back to school and C-Store customers.
- Generally supply is good on most SKUs but there will still be shortages occurring as demand has spiked and on some SKUs, exceeded production capacities as production is working to keep up.

What we are asking of you:

- Patience as we work to provide you with better products and service levels.
- Please do not attempt to over order as there will be shortages to you and every customer.
- Please refrain from bringing us new business at this time in any of our prepared foods categories.

What you can ask of Foster Farms:

- Transparency. We will continue to communicate our status to you and answer your questions.

We appreciate your business and we are doing what we can, as fast as we can, to fill your orders while providing the highest quality products. We do not want to short any orders and are working every day to get better. We are facing the same issues as most other suppliers in our industry and are doing everything we can to improve our fill rates.

Please feel free to reach out to your Foster Farms contacts for further information.

Thank you