

Michael Foods has released the following statements to define the challenges we are working through. Please review the details below and know we sincerely apologize for the delays that have impacted Indianhead.

As widely reported, the increase in COVID positives leading up to the holidays has resulted in elevated employee-COVID cases and related quarantines. One of the hardest areas hit in our own supply chain has been warehousing and transportation – the latter is already significantly impacted by historically low driver availability. When coupled with seasonal weather, you get a mess of delays that will likely continue to impact loads throughout the remainder of the month.

- We have a number of carriers – both CPUs (Customer Pickups) and MFI planned loads - that were slated to arrive in Gaylord over the weekend, but are just now showing up unexpectedly in the middle of the week
- We have had carriers cancel multiple loads on the day they were scheduled to be picked up due to driver availability – resulting in us having to find a completely different carrier on short notice
- We currently have reports of freezing rain on the West Coast, snow across the Rockies, blizzard conditions across the Northern Plains, and a storm anticipated for the Northeast tomorrow – all of which are already creating carrier delays
- Finally, we are seeing a large number of call-ins on the production side tied to both COVID and weather that will create ongoing issues further upstream as we continue to work to match production with recovering demand

So, to help you manage through any concerns that may arise with customers we've drafted an **outline for some of the key actions** we are taking to mitigate the overall service and “on-time” delivery risk as much as possible:

- We are proactively cancelling loads with carriers that are struggling the most and re-booking with more consistent partners
- We are scheduling blocks of time throughout the day to accommodate “Work-Ins” – carriers who show up anywhere from a few hours to days late
- Our warehouse staff continues to put in significant overtime when we fall behind to catch up as quickly as possible
- We are adjusting POs to shift from alternative warehouses when any given warehouse falls behind

These actions, along with other initiatives, have helped us improve from being >50 loads behind in Gaylord yesterday to almost 30 loads behind today.

Thank you for your consideration, please feel free to contact me with any questions,