

- We are short on supply
 - o This will likely last until at least Q4. Perhaps all year.
- We are short on labor
 - o We have new employee orientations every week but not making a dent
 - o Westfield & Mocksville are the worst. Irving decent, Wells good.
- Lack of labor is forcing line shutdowns, thus product shortages.
 - o This will continue until labor is corrected....and no idea when
 - o We have been bumping pay and other perks in an effort to bring in workers
 - o We advertise heavy, billboards, job fairs etc.
 - o We do have less Covid issues now. Vaccines were administered at all plants.
- Volume demand is off the charts and when we make a product run, inventory is gone in a few days
 - o Huge demand driven by the industry re-opening and competitors dropping sku's
 - o Once a product is run, in many cases we can't cycle that item back again for several weeks
- Shorts are heavy in all channels. Foodservice, Industrial, Chains.
 - o Product allocations for short items are decided on a percent basis.
 - o We look at 2019 for a volume base line since distributors are inflating orders to account for shorts
- Transportation is still struggling to fill routes competitively. Driver shortages has driven up frt. costs
- Corrugated, Oil, Tape, Pallets, Breeding's, Marinades, etc. are all up in price and still rising
- Our margins are upside down this year due to fixed meat shorts and filling in with high cost market meat
 - o To combat this we have decided to drop up to 12 market based loads per week and just short customers
 - o Contract prices will continue to be reviewed and adjusted as needed
 - o Operator rebate programs will continue to be reviewed and adjusted as needed
 - o At this point we are full, so adding largeish business will likely result in shorting someone else