



McCain Foods USA, Inc.

One Tower Lane
Oakbrook Terrace, Illinois 60181

Date: January, 31 2022
To: Central Division Distributor Partners
From: Joe Sefton
CC: McCain Field Sales
RE: **Appetizer Supply Update**

Below is an update on our current supply challenges and our immediate actions to maximize raw and streamline our portfolio to maximize production.

IQF Cheese Supply

- The current North American IQF cheese stick supply is at capacity driven by labor shortages and overall milk quality issues.
- As a result, McCain Foods will receive a limited amount of ingredients until our suppliers are able to stabilize their ability to meet market demands.
- Recovery TBD and will be re-assessed July 2022

Onion Supply Update

- Poor onion crop caused by heat stress during the growing season is resulting in smaller onions, more defects and less supply to meet current demand
- Recovery projected September 2022

McCain action plan effective immediately

- In an effort to maximize output and reduce complexity in our production facilities, McCain has increased the number of appetizer items temporarily out of stock (TOS)
 - See attached recap of TOS items which also includes substitute recommendation
 - Current inventory on these items will be available for order until depleted
- Onion & Cheese supply caps for our distributor and customers
 - For questions or details regarding supply caps or TOS items, reach out to your McCain area sales manager
 - McCain customer service team will be managing to assure fair distribution of supply