

USDA Foods Supply Chain Impacts Update

Food and Nutrition Division



Supply Chain Impacts Update #1

Date: September 29, 2021

1. Food Availability and Delivery Impacts:

As of September 16th, NDA is aware of four Processors experiencing impacts to their product availability: Michaels, Land O Lakes, Jennie-O, and Yang's 5th Taste. Below is a summary of each impact:

Michaels:

Michaels has communicated that the four pre-cooked egg items below are currently experiencing shortages, and deliveries of these items have been suspended. At this time, Michaels cannot provide the following products until further notice:

- 46025-14688 – Cheddar Cheese Omelet IW
- 85017 – FC Round Egg Patty
- 46025-75015 – WG Cinnamon French Toast

Land O Lakes:

Four items from Land O Lakes will be unavailable beginning in October:

- #44877 Colby Jack Cheese Sticks 168/1 oz
- #44879 Mild Cheddar Cheese Sticks 168/1 oz

August and September orders have been processed and are expected to be delivered in full. The vendor has communicated that the shortage on these items *may* extend through May of 2022.

Two items are being offered as substitutes:

- #59701 Mozzarella String Cheese 168/1 oz
- #59703 Light Mozzarella String Cheese 168/1 oz (currently on survey)

Jennie-O:

Jennie-O has communicated that they are currently unable to supply the turkey breakfast sandwich:

- Turkey Sausage Biscuit Breakfast Sandwich (61760)

It is unclear for how long this product will be unavailable.

Yang's 5th Taste:

Yang's has indicated that two products are unavailable until further notice:

Product Code	Product Description	Pack Size
8-52724-16665-0	BBQ Teriyaki Chicken Rice Bowl	36-8.0 oz. Bowls
8-52724-15554-8	BBQ Teriyaki Chicken	6-5 lb. Chicken, 6-32 oz. Sauce

It is not known when these products will be available again.

Nardone's:

Vendor is experiencing shortage of film wrap for IW pizza products causing some delays with receiving pizza items on time at warehouses. NDA is working with Nardone's for an alternative solution, Bulk Pizzas. This has impacted large quantity orders for Clark County School District and may begin to impact all sponsors.

9/29/2021 – Pizza Survey: Sept & Oct months are late due to vendor's labor/supply shortages. Products to arrive the week of 10-18-21.

2. Warehouse Inventory Impacts:

There are no impacts to the USDA Foods inventories at the NDA warehouses in Sparks and Las Vegas.

3. Pricing Impacts:

One vendor, Yang's 5th Taste, has requested a price increase above the allowable 3% after three years. The proposed price increase would affect five items with price increases ranging from \$4 per case to almost \$25 per case.

Below is our SY21-22 Fee for Service pricing reflecting the following price increase:

Product Name	Product Code	Awarded Fee for Service Price per Case	Requested SY21-22 Fee for Service Price per Case	Dollar Increase per Case	Percent Price Increase
Mandarin Orange Chicken JR	8-52724-15555-5	\$85.50	\$106.49	\$20.99	24.55%
General Tso's Chicken	8-52724-15563-0	\$94.08	\$118.38	\$24.30	25.83%
Sweet & Sour Chicken	8-52724-15551-7	\$94.08	\$118.38	\$24.30	25.83%
BBQ Teriyaki Chicken	8-52724-15554-8	\$80.00	\$102.23	\$22.23	27.79%
BBQ Teriyaki Chicken Brown Rice Bowl	8-52724-16665-0	\$41.28	\$45.49	\$4.21	10.2%

Below is our SY21-22 Commercial pricing reflecting the following price increase:

Product Name	Product Code	Awarded Commercial Price per Case	Requested SY21-22 Commercial Price per Case	Dollar Increase per Case	Percent Price Increase
Mandarin Orange Chicken JR	8-52724-15555-5	\$102.72	\$123.71	\$20.99	20.43%
General Tso's Chicken	8-52724-15563-0	\$111.30	\$135.60	\$24.30	21.83%
Sweet & Sour Chicken	8-52724-15551-7	\$111.30	\$135.60	\$24.30	21.83%
BBQ Teriyaki Chicken	8-52724-15554-8	\$100.78	\$123.01	\$22.23	22.06%
BBQ Teriyaki Chicken Brown Rice Bowl	8-52724-16665-0	\$44.40	\$48.61	\$4.21	9.48%