

# USDA Foods Supply Chain Impacts Update

## Food and Nutrition Division

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### Supply Chain Impacts Update #2

**Date: October 15, 2021**

#### **1. Food Availability and Delivery Impacts:**

As of September 16<sup>th</sup>, NDA is aware of four Processors experiencing impacts to their product availability: Michaels, Land O Lakes, Jennie-O, and Yang's 5<sup>th</sup> 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)

**10/7/21:** Alternate item, 59701-Mozzarella Cheese Stick has been added to the survey and sponsors should update their survey for Dec-May.

**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 5<sup>th</sup> Taste:**

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

<b>Product Code</b>	<b>Product Description</b>	<b>Pack Size</b>
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.

**Tyson:**

10/15/21 – Vendor is experiencing an extreme labor shortage at their beef plants and cannot fulfill orders at this time. At this time, the following items are on pause or vendor is struggling to produce.

- 1000069050 Beef Burger
- 1000023162 Breaded Steak Finger
- 1000032432 Taco Meat

In addition, some of Tyson’s chicken products are a challenge: no inventory on hand with no production dates. These items include:

- 10703780928 Breaded Hot & Spicy Popcorn Chicken
- 10269760928 Breaded Homestyle Chicken Chunks

## **2. Warehouse Inventory Impacts:**

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

**10/1/21: Integrated Food Service:** Reno, LV and CCSD orders for November surveys are running late and are expected to arrive the weeks of 10/18/21 for Washoe Co. School District and 10/25/21 for Reno Warehouse. (emailed sponsors on 10/1/21)

**10/7/21: Land O Lakes:** Orders submitted for November survey amounts are short with no expected recovery date. This impacts 59703-Light Mozzarella Cheese Sticks. As an alternate item, Land O Lakes can provide 59701-Mozzarella Cheese Stick. This item has been added to the survey and sponsors should update their survey for Dec-May. (emailed sponsors on 10/7/21)

- Orders are expected to arrive as follows:
- Washoe Co. School District - No direct order.
- Clark Co. School District - Full order short.
- Reno State Warehouse (to all other sponsors) - week of 10/4/21 (Ordered 291cs, Shipped 87cs, Shortage 204cs)

**10/7/21: Yang's 5th Taste:** Orders submitted for November survey amounts are delayed due to supply chain issues. This impacts all of the products provided by Yang's 5th Taste. Orders are expected to arrive as follows:

Washoe Co. School District - No direct order.

Clark Co. School District - No direct order.

Reno State Warehouse (to all other sponsors) - Expected delivery is unknown. Could possibly be 12-15 weeks out.

## **3. Pricing Impacts:**

One vendor, Yang's 5<sup>th</sup> 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.

**10/8/21:** NDA to amend contract to allow price increase.

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%