

# USDA Foods Supply Chain Impacts Update

## Food and Nutrition Division

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### Supply Chain Impacts Update #8

**Date: February 25, 2022**

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

As of February 25<sup>th</sup>, several processors are experiencing impacts to their product availability: Michaels, Land O Lakes, Jennie-O, Yang's 5<sup>th</sup> Taste, Nardone's, Tyson, JTM and National Food Group. Below is a summary of each impact:

##### **Michaels:**

Michaels has communicated that the 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

**2/25/22:** Products still unavailable

##### **Land O Lakes:**

Two items from Land O Lakes will be unavailable beginning in October. The vendor has communicated that the shortage on these items *may* extend through May of 2022.

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

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.

**11/12/21:** Vendor facing challenges with product 59701. Expect shortages.

**2/25/22:** Continued shortages and/or unavailable products.

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

<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

**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.

**11/1/21:** Due to supply issues, IW pizzas will be unavailable until further notice. Bulk pizza is available, and sponsors can complete the Bulk Pizza Survey in FDP.

**Tyson:**

The following Tyson chicken product is unavailable:

- 10703780928 Breaded Hot & Spicy Popcorn Chicken

**JTM:**

We have added a new item under the Cheese Sauce-JTM survey. 5984-Mini Turkey Corn Dog and Mac & Cheese Tray. Please complete the survey months for February – May if interested.

**1/2/22:** JTM has put a pause on production for 5984-Mini Turkey Corn Dog/Mac & Cheese Tray. We have ordered this product for February surveys and are expecting to receive the product.

### **National Food Group:**

**1/12/22:** Due to production schedules and facility construction, National Food Group will not be able to provide any of the diced fruit cups during the month of January. This will impact February survey month. Surveys will be updated, and entitlement will be credited back to sponsors.

**2/25/22:** Continuing to work through challenges at processor plant.

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

**1/12/22: USDA Foods/Brown Box:** We have depleted inventory for Pinto Beans 6/#10 and Applesauce 6/#10. At this time, we cannot order these two items through USDA for SY 21-22. Should these products come available, we will submit orders to USDA. Surveys will be cleared from sponsors and entitlement will be credited back to sponsors. The USDA Foods/Brown Box survey has been processed through February.

**Processed Food - Delays and/or Shortages:** Below are new updates/impacts to processed food orders:

**2/25/22: Integrated Food Service:** We are currently waiting on eight (8) pending orders for Feb/March Surveys. These include four orders for the Reno/WCSD warehouses and four orders for CCSD. Unfortunately, we will not order April survey amounts for Integrated until pending orders are received. This is due to supply chain issues at processor.

**2/25/22: JTM Foods:** Vendor shorted orders to the Reno warehouse due to product unavailability. March survey will not be processed.

**2/25/22: Tyson:** Orders late for March surveys.

**2/25/22: Nardones:** Orders late for Feb/March surveys. Unfortunately, we will not order April survey amounts for Nardones until pending orders are received. This is due to supply chain issues at processor.

**12/20/21-2/25/22: National Food Group:** Due to production issues with packaging delays and production capacity being compromised at the vendor's production plant, orders submitted to National Food Group have been cancelled. These orders affect December surveys for the Reno State Warehouse, Las Vegas Warehouse and Washoe Co. School District. Surveys quantities will be removed from December month and entitlement will be credited back to sponsors. NDA will issue new orders for your January survey amounts.

### **3. Pricing Impacts:**

#### **Yang's 5<sup>th</sup> Taste:**

Vendor 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.

**1/6/22:** Amendment approved allowing price increase.

**2/25/22:** FDP and price lists updated.

#### **Integrated Food Service:**

**11/1/21:** Due to the ongoing supply chain issues; labor shortages, increases in raw material and freight costs will require an emergency price increase for SY21-22. *NDA is currently reviewing the increase and will notify sponsors when more information is available.*

**1/20/22:** Amendment approved allowing price increase.

**2/25/22:** FDP and price lists updated.

#### **MCI Foods:**

**12/1/21:** Requesting a price increase to cover rising labor, raw materials, packaging, and freight costs that have increased over the last year. *NDA is currently reviewing the increase and will notify sponsors when more information is available.*

**1/20/22:** Amendment approved allowing price increase.

**2/25/22:** FDP and price lists updated.

#### **National Food Group:**

**12/3/21:** Requesting a price increase due to many factors related to the supply chain issues. *NDA is currently reviewing the increase and will notify sponsors when more information is available.*

**1/20/22:** Amendment approved allowing price increase.

**2/25/22:** FDP and price lists updated.