Retail Supply Chain Update
May 6, 2020

Tyson Foods

- **58% of workers** at a meat processing facility in Perry, IA have tested positive for COVID-19.
- This amounts to more than 700 employees at the facility in Perry, IA.
- The company will re-start “limited” production at its facility in Waterloo, IA this Thursday.
- The facility in Waterloo has been deep cleaned and workers have been tested for COVID-19; any workers with a positive test result will remain on paid sick leave.
- The company also increased short-term disability coverage for employees to 90% of normal pay until June 30.
- Maine CDC announced 20 new cases of COVID-19 at a Tyson facility in Portland; bringing the total cases there to 37 so far.
- The Wilkes County Health Department is monitoring an outbreak at a facility in Wilkesboro, NC; an exact number of confirmed cases has not been released.

Smithfield

- **6 more employees** at a meat processing facility in Arnold, PA have tested positive for COVID-19, bringing the total to 12 cases so far.

JBS

- **57 workers** at a pork processing plant in Louisville, KY have tested positive for COVID-19; the plant is still operating.
- The facility in Louisville employs 1,200 people.
- The company planned to re-open its facility in Green Bay, WI yesterday with limited operations and add more operations on Wednesday.
- All employees at the facility in Green Bay will be tested for COVID-19 before they are allowed to return to work.
- The company plans to re-open its facility in Worthington, Minnesota today.
- The United Food and Commercial Workers (UFCW) Local 663, Minnesota’s largest meatpacking union, released a statement Sunday in response to news that JBS’s Worthington plant will reopen Wednesday, May 6. The statement includes guidelines for enhanced safety guidelines.
Demand for plant-based meat increases

- Beyond Meat, a publicly traded company, reported fiscal first quarter results that were way above estimates
- Beyond Meat reported a 141% jump in first-quarter revenue and profit
- Beyond Meat has greatly expanded its point of sales. On April 21, it began selling its products through nearly 4,200 Starbucks Inc. locations in China.
- Beyond Meat last month said it secured a $150 million, five-year secured revolving credit facility to maintain its growth trajectory. The credit facility provides the company with an option to expand the facility to $350 million if necessary.
- Impossible Burger, a privately held company, will be available at 1,700 Kroger stores beginning yesterday
- Adding Kroger to their portfolio increases Impossible Burger’s retail footprint by 18%, which is currently available in about 2,700 stores nationwide. The company expects to increase its retail footprint 50 fold this year
- “Kroger’s new partnership with Impossible Foods is one more way we are providing our customers with convenient access to popular fresh plant-based meats,” said Joe Grieshaber, Kroger’s senior vice president of merchandising. “Plant-based food remains one of the fastest-growing categories at Kroger. We’re excited to continue growing our selection, especially as more customers than ever are purchasing meat products made from plants.”
- Dr. Praeger’s Sensible Foods, a pioneer in the plant-based frozen-food sector, is running its New Jersey factory at 75% to 80% capacity and can produce approximately 100,000 pounds daily. A new manufacturing line is in the works to double Dr. Praegers’ capacity.

Hy-Vee uses Cloud platform to communicate directly with employees

- Hy-Vee, based in West Des Moines, IA, announced that it will use Zipline, a “communication and execution tool for retailers.”
- Zipline describes itself as “best way to drive new, critical information out to the fleet in a way that doesn’t overwhelm or confuse your store teams”
- By using Zipline, employees can access messages from company leaders and supervisors via a desktop or notebook computer or through a mobile app, which provides a centralized place to see everything that needs to be done in stores.
- Hy-Vee can directly communicate and track execution of store protocols, health and safety guidelines, best practices and other tasks across its more than 265 stores in eight Midwestern states.
- Since COVID-19 protocols change daily, Hy-Vee find Zipline to be an effective and consistent way to contact staff chainwide. “Retail Zipline allows our corporate team to communicate with every single employee to make sure everyone receives the same message and executes new protocols or receives the latest company news in a timely fashion.”
- Hy-Vee plans to continue using Zipline post-pandemic
COVID-19 prompted unprecedented changes in grocery shopping behavior

- Market research firm Kantar released a study of shopper behavior during COVID-19.
- Of 2,000 U.S. adults surveyed, 92% reported a negative in-store experience during the week or so that COVID-19 began in the US.
- More than 96% of respondents said they weren’t able to get the specific products they wanted, leading 42% of those customers to go to other retailers and 41% to go without the items they sought.
- Besides product outages, shoppers cited no delivery slots, unclean stores and unpleasant staff as the most stressful elements of their experience.
- Forty-six percent said they spent more on groceries and essentials. The top product purchases cited by consumers were toilet paper (41%), frozen foods (40%), dry/canned goods (38%), cleaning products (36%), water (36%), fresh meat/seafood (35%), fresh fruit/vegetables (34%), dairy (32%), bread/bakery (32%) and cereal (31%).
- Among respondents, who were polled from April 3 to 7, 34% said they expect to try a new retailer in the coming weeks to get the products they want and to adjust their shopping budget.
- Consumers named Target (20%), Walgreens (14%), Dollar General (14%), Family Dollar/Dollar Tree (13%), Lowe’s (13%), Aldi (12%), Costco Wholesale (12%), Amazon (12%) and Walmart online (11%) as the new retailers they planned to shop.
- 60% of online customers tried home delivery for the first time, while 42% used curbside service and 39% in-store pickup for the first time.
- “Never in modern times has shopper behavior shifted as quickly and dramatically as it has during COVID-19,” Kantar stated. Kantar contributes this to “stressed shoppers” as 49% percent of respondents said their overall stress and anxiety levels are high or very high, due to worries about physical, financial and/or emotional health.
- On the financial side, 24% of shoppers indicated they’re “affected now” by the pandemic, meaning they were laid off, can’t work or are vulnerable to COVID-19, Kantar reported. Another 32% expect to be “affected next,” anticipating more financial impact down the road. Forty-four percent described themselves as “minimally affected” and don’t expect their household to be financially impacted.

Gojo, the makers of Purell leasing additional warehouse space

- The company has increased capacity to try and meet the demand for hand sanitizer during the pandemic, and has prioritized shipping its product to hospitals, first responders and critical infrastructure providers, including grocery stores and the military.
- **Gojo announced Wednesday that it’s in the process of finalizing an agreement to lease a warehouse facility near Navarre, OH**
- The additional facility will serve as additional storage and shipping facility for the company.
- “For a short time, supporting reopening of the economy and frontline workers means there will be less product availability other places, including on retail shelves and online. But the steps we are taking, including very significant capital investment, will dramatically expand our capacity,” said GOJO President and CEO, Carey Jaros. “As the inventor of Hand Sanitizer and the science-based market leader, we will do what it takes to bring the safest, most effective, and most innovative PURELL® solutions to a post-pandemic world where hygiene has truly become essential.”
Amazon warehouse worker dies from COVID-19

- A worker at a warehouse in Staten Island has died of COVID-19.
- The employee was last at work on April 5 and received a positive test result on April 11 while in self-quarantine.
- The employee was not contact traced to any other employees, and officials say they believe each of the cases at the Staten Island fulfillment center are individual cases and are not believed to be related to one another.