



Retail Supply Chain Update

August 19, 2020

Walmart surpasses Amazon in online grocery share

- Walmart has overtaken Amazon in share of online grocery transactions, according to TABS Analytics' 8th Annual Food and Beverage Consumables Study.
- Shelton, Conn.-based TABS said Monday that Walmart garnered a 30% share of online food and beverage retail transactions, down slightly from 30.4% in 2019 but pushing the retail giant ahead of Amazon for the first time in the study. Amazon saw its online grocery transactions drop more than five points to 27.1% from 32.6%.

Walmart eases COVID-19 restrictions on store hours

- Next week, Walmart U.S. plans to extend hours at about 85% of its stores, which had curtailed hours of operation at the start of the coronavirus pandemic.
- Bentonville, Ark.-based Walmart said more than 4,000 of its 4,700 Walmart U.S. stores will expand their closing time from 8:30 p.m. to 10 p.m. by Aug. 17, "providing customers with greater options to shop for the food, medicine and supplies they need." The company had cut hours at Walmart and Neighborhood Market locations to 7 a.m. to 8:30 p.m. effective March 19 to give associates more time to clean stores, stock products and institute COVID-19 safety measures.
- Walmart said its stores will continue to reserve an exclusive shopping period every Tuesday, one hour before opening (6 a.m. to 7 a.m.), for customers age 60 and older, who are at a higher risk for the virus. Pharmacies and vision centers also will be open during that time.

It would cost \$1 trillion to move global supply chains out of China—but the long-term gains could be worth it

- The coronavirus pandemic has wreaked havoc on the supply chains of companies around the world—prompting firms in 80% of sectors globally to recalibrate their operations in some fashion, according to analysts at Bank of America (BofA) Global Research.
- But with emerging markets like China having entrenched themselves as pivotal to the global supply chain, it's clear that re-shoring away from such markets is a costly proposition. In fact, BofA analysts have put a price tag on what it would cost for all foreign, non-Chinese firms to repatriate their manufacturing operations currently in China: \$1 trillion over a five-year period. (To put that in context: The companies on Fortune's Global 500 generated \$33.3 trillion in revenue and \$2.1 trillion in profit in 2019.)
- Such expenditures (which would not include the shift of manufacturing intended for consumption within China) would be "significant, but not prohibitive" to companies' bottom lines, according to BofA. While free cash flow margins and return on equity would take a hit in the near-term, there would be positive "multiplier effects on the broader economy"—including new jobs and higher wages for domestic workers, greater spending on research and development, more tax revenues, and the development of new "industrial clusters" within developed countries.
- The \$1 trillion figure, the analysts note, does not include the higher operating costs that would be associated with doing business in more developed markets, which "could act as

a drag on margins.” And industries with “structurally higher returns,” like tech and health care, would have an easier time absorbing the necessary expenditures than others with “more muted cash flows,” which would likely have to resort to external financing sources to fund their restructurings.

- But companies would likely be able to count on help from policymakers—such as tax breaks, subsidies, low-cost loans—to “offset higher costs associated with re-shoring” in the interest of boosting their domestic economics.

Perdue Farms Honored for COVID-19 Response in 2020 Stevie® Awards for Great Employers

- Perdue Farms has been named the winner of a Silver Stevie® Award for Most Valuable Employer in the COVID-19 response category in the fifth annual Stevie Awards for Great Employers, which recognize the world's best employers and the human resources professionals, teams, achievements and HR-related products and suppliers who help to create and drive great places to work. The COVID-19 response categories were created this year to honor the contributions of HR individuals, teams, and entire organizations that have worked valiantly over the past months to keep employees safe, healthy, employed, paid and informed.
- "As a fourth-generation, family-owned company in our 100th year, it's in our nature to put our people first, and COVID-19 is no exception," said Perdue Farms' CEO Randy Day. "This recognition reinforces the commitment to our associates since the beginning of the COVID-19 pandemic when we responded swiftly by instituting extensive incremental safety measures and continued to add to these measures as CDC guidance evolved. In these uncertain times, we remain committed to keeping our associates supported, protected and informed as they continue to serve as frontline heroes in America's food supply chain."
- Perdue continues to enforce CDC safety measures and communicate with associates, including translating and sharing information in multiple languages, through daily meetings, take-home flyers, and its open-door communication policy, and ensuring an open dialogue with local community leaders by hosting webinars from its facilities.

Beyond Meat, Impossible, Tyson and Others See Rising Plant-Based Protein Sales Because of COVID-19

- A pair of recent surveys by the International Food Information Council (IFIC) indicate the sharp rise in sales of plant-based burgers and other imitation meat, including the products of Beyond Meat, Tyson Foods, Impossible Foods, and others resulted directly from the COVID-19 pandemic. Both meat shortages and attempts to eat healthier to achieve better immune strength appear to have increased consumer interest in the pea protein or soy protein based meat alternatives.
- According to the results, approximately 25% of American adults have increased their plant-based protein intake since coronavirus began spreading across the USA. A follow-up survey indicated 40% of those surveyed (a sample of 1,000) think the plant-based proteins will bolster their health, providing more vitamins and minerals than ordinary meat products.
- Meat shortages and disruptions to the meat supply chain may also be playing a role in mushrooming plant-based meat sales. According to the chairman of meat-free Atlantic Natural Foods, Doug Hines, "With the major meat manufacturers very hard hit during these times, and because consumers have grown wary of the meat supply on store shelves, they are naturally looking toward alternatives and plant-based foods."
- Beyond Meat has lowered its prices closer to those of actual meat, while Impossible Foods has increased its retail presence by approximately 6,000% since 2020's beginning.

The FDA just banned even more toxic hand sanitizers – here’s the complete list

- The FDA recently identified another toxic ingredient found in some hand sanitizer brands.
- According to the agency, some hand sanitizers contain 1-propanol, an ingredient that can lead to death if ingested.
- The FDA over the past few weeks has banned nearly 150 hand sanitizer brands.
- Full list of banned hand sanitizers available [here](#).