



Retail Supply Chain Update

October 9, 2020

Target HQ employees won't return to downtown offices until at least June 2021

- The company is working on a long-term model that will combine telecommuting with remote work, executives said.
- Target is the largest employer in downtown Minneapolis, with more than 8,500 workers in its corporate headquarters plus other offices.
- “Wow. That’s a big knock on what I was hoping for in April,” said Antonio Gambino, owner of three Andrea Pizza stores in downtown Minneapolis, who estimates that as much as half of his business comes from Target workers.
- “I don’t blame Target at all,” he said. “Safety first. But it’s a pretty big blow, and devastating for so many businesses in Minneapolis.”
- Like other major urban business districts, downtown Minneapolis is still practically a ghost town, with only about one in 10 workers regularly working in their physical offices.

JBS CEO: We’ve Turned Corner on COVID

- The meat industry should not experience any further supply chain disruptions because of the pandemic, the U.S. head of the world’s largest meat company said in a recent interview.
- Speaking to a panel organized by the Wall Street Journal, Andre Nogueira, CEO of JBS USA, said he was “pretty confident we are not going to have the size of the disruption we saw in April and May.” He said testing and monitoring of infection levels in the locations around its plants has revealed low infection rates. JBS is bringing back to work older workers who had been sent home with pay during the first stages of the pandemic.
- JBS was hit as hard as any meat company during the pandemic, with plants shutting down and workers dying. It was fined by the Occupational Health and Safety Administration in connection with COVID.

First it was toilet paper — now we're running out of fridges

- If you're looking to buy a new fridge you may be out of luck. Earlier in the pandemic, there was a run on toilet paper. Now it seems that customers looking to buy a refrigerator are facing long waiting times as models are backordered across the country. There are also shortages for other major appliances including dishwashers, dryers and some microwaves.
- John Taylor, senior vice president of LG Electronics USA told TODAY Food that the industry as a whole is experiencing unprecedented demand when it comes to major appliances. "There are a variety of factors largely related to coronavirus," he said.

- "People are spending more time at home and we've seen a record number not just for fridges but dishwashers, washing machines and dryers. If appliances are 15-20 years old, the more people they use them, the more likely they need to be replaced."
- Taylor said that in lieu of spending on family vacations, dinners out or movies and concerts, people are looking to invest in their homes and focus on energy savings.
- Taylor said there has been an industry-wide disruption in the supply chain, from factories to warehouses, though he noted that LG has mostly avoided major disruptions, but the specific model you want may not be available.
- With many businesses closing due to COVID-19 and the public spending less due to layoffs and unemployment, stores have had a tricky time predicting what amount of product they need.
- "There are supply chain challenges across the globe whether because of people not being able to work to manufacture the items or because they can't physically ship units from a warehouse," Sara Skirboll, shopping and trends expert for RetailMeNot told TODAY Food. "With so many people spending most of their time in their home, a lot of folks are upgrading appliances or redecorating their homes, so the spike in appliances isn't surprising."
- The shortage is across the board, from lower end models to high end.

Shipt aims to add 100,000 personal shoppers

- Gearing up for the holiday season crunch, on-demand delivery service Shipt plans to hire another 100,000 personal shoppers, increasing its delivery personnel base to more than 300,000.
- With expansion, Target subsidiary will boost delivery worker ranks by a third.

Instacart bags \$200 million in latest financing round

- Instacart has landed \$200 million as part of a new funding round led by current investors Valiant Peregrine Fund and D1 Capital Partners.
- Plans call for Instacart to funnel the new capital toward Instacart Ads to help connect CPG brands to customers shopping online from local retailers, Instacart Enterprise to support retailers' end-to-end e-commerce needs, and product development to enhance the customer experience with new features and tools, among other uses.