



Retail Supply Chain Update

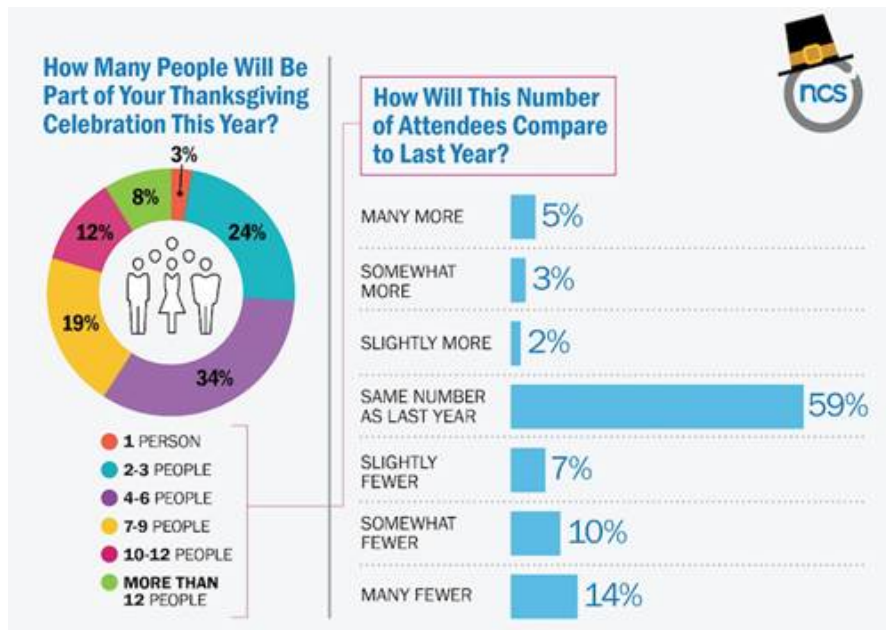
November 6, 2020

USDA expands SNAP online purchasing to more retailers

- The U.S. Department of Agriculture is expanding its SNAP Online Purchasing Pilot to include more supermarket retailers, including independent grocers.
- Under the pilot, launched by the USDA's Food and Nutrition Service (FNS) in April 2019, 46 states and the District of Columbia now allow recipients of Supplemental Nutrition Assistance Program (SNAP) benefits — also known as food stamps — to shop and pay for groceries online from six authorized retailers using their electronic benefits transfer (EBT) cards.
- USDA said yesterday that more than a dozen retailers across 10 states are now engaged in the approval and testing process with FNS to launch SNAP online purchasing in the coming months.

Survey: Thanksgiving grocery shopping plans unshaken by pandemic

- This year, nearly three-quarters of U.S. consumers aim to spend the same or more as last year for Thanksgiving items, with more than 80% saying it's important to celebrate the holiday in spite of the COVID-19 pandemic, a survey from NCSolutions (NCS) finds.
- Among 2,024 U.S. adults polled Oct. 17 to 19, 73% said they expect to increase or maintain their Thanksgiving spending in 2020, with 15% planning to spend more than last year and 58% planning to spend the same amount. Twenty-seven percent reported that they expect to spend less this year.
- New York-based NCSolutions, which specializes in advertising efficacy, noted that the coronavirus crisis doesn't appear to be dissuading shoppers from purchasing their Thanksgiving goods in stores, as 80% of those surveyed said they plan to shop that way. Nineteen percent indicated they would buy online for delivery, while 15% aim to use curbside pickup. Consumers were able to choose more than one purchasing method in the poll.
- "The big takeaway for CPG advertisers is that Thanksgiving isn't canceled. Holidays are holidays even as the pandemic continues. As we've seen during this pandemic around other holidays, spending has increased, since celebrations represent a bit of normalcy and remain important to consumers," according to Linda Dupree, CEO of NCSolutions.
- "Historically, our data shows a 7% increase in household grocery spending in the weeks prior to Thanksgiving," she explained. "We are currently observing household spending on groceries to be up 24% compared to the same time last year. While the COVID-19 pandemic has been a great disruptor for many things, all indicators point to Thanksgiving 2020 being an important facet of the fabric of American family."



Hy-Vee adds more drive-up COVID-19 test sites

- Hy-Vee has deployed coronavirus testing to another 12 drive-thru pharmacies and extended testing hours at 21 drive-up pharmacy locations.
- West Des Moines, Iowa-based Hy-Vee said this week that, with the expansion, it now provides free COVID-19 tests at 165 drive-thru pharmacies across its eight-state market area.

- To get a COVID test from Hy-Vee, customers must first register online to receive a test voucher number, at which time they also will be given a specific testing site and an appointment time. Individuals don't need to have COVID-19 symptoms to be tested, the retailer noted.
- Hy-Vee's COVID-19 tests are coordinated by eTrueNorth. At the test site, patients provide a printed voucher number or show the voucher number on their smartphone. Next, they receive a self-administered nasal swab test kit from a Hy-Vee pharmacy employee, who explains how to perform the test and supervises the process. The patient then drops the completed test kit in a collection bin.
- Each pharmacy location can accommodate up to 12 patients per hour, and the testing takes about five minutes, Hy-Vee said. Upon collecting all the tests, the Hy-Vee pharmacies ship them to a lab via UPS. Results are delivered via email in three to five business days.

Some grocery stores are limiting toilet paper and disinfecting wipe purchases again

- Several leading grocery chains are reimposing limits on key items such as toilet paper, paper towels and disinfecting wipes, hoping to keep their shelves stocked and prevent shoppers from hoarding as they did when the pandemic began in the spring.
- At Kroger, customers can purchase a maximum of two items when it comes to products like bath tissue, paper towels, disinfecting wipes and hand soap. A spokesperson said in an email that the limits began earlier this week and apply in stores and online.
- Christopher Brand, a spokesperson for Giant, a grocery chain in the Northeast, said that the company was "seeing little evidence of stockpiling, and there is no need to create panic." But since the supply chain "remains challenged," Giant began last week putting a limit of one on purchases of larger toilet paper and paper towel sizes and four on smaller toilet paper and paper towel sizes.
- H-E-B in Texas has implemented similar policies in recent weeks. Some H-E-B stores have instituted limits of two on purchases of disinfecting and antibacterial sprays, while other stores have limited toilet paper and paper towels to two.
- The three companies say supply chains for securing these items are still strained. Around 19% of paper products such as toilet paper and paper towels and 16% of household cleaning products were out of stock during the week ending November 1, according to data from market research firm IRI.
- Meanwhile, nearly 60% of shoppers say they plan to stock up again as winter approaches, according to a survey of 1,000 shoppers by market research firm Inmar Intelligence conducted during the week of October 14.