



FOODSERVICE  
PREMIUM PROTEIN PARTNERS

To Whom It May Concern:

As we continue to navigate the every-changing environment due to the COVID-19 pandemic, it is presenting new challenges to J&B and our production facility. 5 key factors that we review on a daily basis are the availability of boxes, film, raw materials and our labor. We want to keep you, our partner, in the loop of the challenges that face us.

First there is a global shortage of EVOH (Ethylene Vinyl Alcohol Copolymer) which is the property that produces Barrier Film used in the production of Fresh Ground Beef. We are in the process of securing another supplier to ensure we fill our needs.

Second is the issues around boxes. With the global shortage of paper pulp there could be a shortage of printed boxes. We would ask that if we were to be short on printed boxes that we would be allowed to use plain white boxes to produce your products and not short the supply chain. We would only do this if it was necessary and we would let you know when and if we needed to produce in plain white boxes. Looking for approval ahead of time in an effort to not be contacting you looking for the approval and not being able to connect.

Third factor is labor. All of us are being hit with the labor side. Currently we have been filling orders at a 99.3% rate. J&B is very happy with that number and compared to the industry our fill rate is very good.

The fourth topic is raw materials. At the current moment we are not having issues with raw materials as a whole. The industry is telling us that there could be shortages of raw materials in the 3<sup>rd</sup> and 4<sup>th</sup> quarter. We will have to see what happens when we get there and we will continue to monitor and keep you up to speed on the potential issues.

The last topic is freight. We are all feeling the crunch in regards to the lack of capacity in the trucking industry. Currently more freight than haulers available and that is driving the cost of freight to record highs.

With all this being said we want to let you know that with all the potential shortages around the globe, the pricing for most of the products will be impacted. J&B will do our best to mitigate the amount of the increases if we do indeed see the increases.

We truly appreciate your flexibility through all the challenges and the business we mutually share.

Thank you,

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