



McCain Foods North America

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Date: October 15, 2021
To: Valued McCain Customers
From: McCain Sales Operations
Cc: McCain Sales Teams, Customer Solutions, Potato & Appetizer Brand Marketing
RE: **Industry-wide Onion Crop Update**

To our valued customers, this memo is intended to provide an important update on the status of this year's onion harvest, and corresponding impact to the onion based appetizer product portfolio.

As has been widely reported, the extreme heat that covered much of the western region of North America this summer has had a negative impact on onion sizing and quality. On October 1st, approximately 40% of our onion harvest was complete. Based on early crop reports, yields are averaging well below both the 2020 and last 4-year combined averages.

Raw onion size is down considerably, with the larger onion bulbs having the greatest impact from the extreme heat. Early harvest of these smaller bulbs, which are more difficult and inefficient to process in our factories, have already delivered to some of our plants. As would be expected, manufacturing yields are suffering as a result.

To accommodate the smaller bulb sizing, our onion ring product specifications will be temporarily adjusted to allow us to optimize output from this challenging crop year. This change will mitigate the risk of having to short additional orders due to onion availability and reduced yields. You will notice an increase in piece counts per pound across all whole onion ring products resulting from this adjustment.

These temporary changes will take effect immediately. There are no changes planned for onion straws, slivers, petals or pre-formed rings.

We will continue to provide updates as we complete the harvest over the course of this crop year. If you have questions or concerns, please contact your McCain Sales representative or your McCain Customer Service Coordinator.