



# McCain Foods North America

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Date: May 28, 2021

To: McCain Sales Team, Sales Agencies, Customers

From: Sales Operations, North America

Cc: McCain Customer Service, Trade Claims

Subject: US Foodservice Potato and Appetizer Price Increase

Effective for July 15, 2021, McCain Foods US will increase pricing on McCain Brands, and related Operator and Distributor Label Foodservice Potato and Appetizer lines in response to sustaining rapid cost inflation. Increases are as follows:

## POTATO

- All Potato Products: \$.04/LB. (includes Chopped & Formed, Sweet Potato, Secondary Brands and B Grade)

## APPETIZERS

- Cheese: \$.06/lb.
- Onion: \$.06/lb.
- Stuffed Peppers: \$.08/lb.
- All Other Appetizers: \$.06/lb.

Orders placed on or before July 1, 2021 to ship before July 15, 2021 will be honored at current price levels. We reserve the right to limit "buy-ins" by holding orders to historical purchase levels. Price increases will apply to all operator contracts, bids or special deals as they expire and are renewed.

Price increases are being driven by the following rising costs:

- Ingredient cost increases driven by tight supply in cooking oil and inflation on other commodities such as batters, coatings and substrates such as cheese, peppers and other vegetables.
- Packaging costs have increased substantially, including both corrugate and poly film.
- Labor expenses in markets with below national average unemployment rates, driving wage inflation.
- Freight and storage. Transportation cost increases driven by volatile demand, carrier shortages.
- Operating expenses due to pandemic-related safety measures, lower line efficiencies and PPE.

We will continue to invest to ensure product availability and long-term category growth during this period of volatility and inflation. We thank you for your valued business and continued support.