



McCain Foods USA

One Tower Lane, 11th Floor
Oakbrook Terrace, Illinois 60181

Date: October 15, 2021
To: All McCain Distributor Partners, McCain Sales Teams, and Sales Agencies
From: McCain Sales Operations
Cc: McCain Customer Solutions, McCain Potato & Appetizer Brand Marketing
RE: US Foodservice Potato and Appetizer Price Increase

Effective with orders shipping December 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 (incl. Chopped & Formed)	\$0.08/lb.
Sweet Potato Products	\$0.15/lb.

APPETIZERS

Cheese	\$0.08/lb.
Onion	\$0.08/lb.
Stuffed Pepper	\$0.11/lb.
Vegetable and A/O Appetizers	\$0.05/lb.

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:

- Inflation on Input Costs: Driven by tight supply in oil and other commodities such as batters, coatings and substrates such as cheese, peppers and other vegetables
- Substantial rise in packaging costs, including both corrugate and poly film
- Labor expenses driving wage inflation; market is below national average unemployment rates
- Freight and storage. Transportation cost increases driven by volatile demand, carrier shortages
- Higher operating expenses due to pandemic-related safety measures and lower line efficiencies

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.