

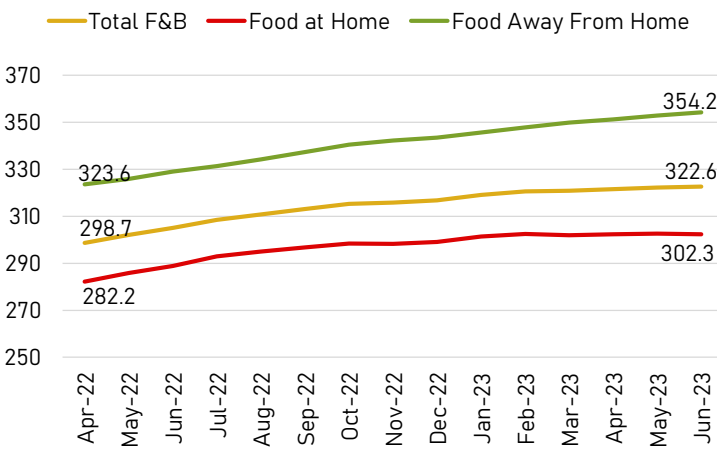


Inflation and Supply Chain Impacts: Strategies for Food and Nutrition Department

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CONSUMER PRICE INDEX

The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. The percentage change in a CPI is used as a measure of inflation, and along with the population census, is one of the most closely watched national economic statistics.



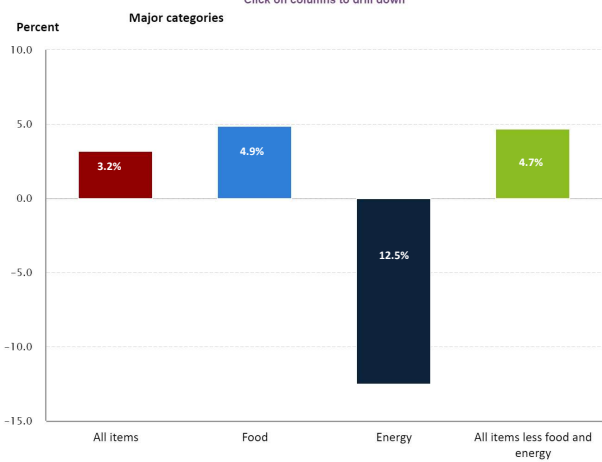
| YEAR-OVER-YEAR CHANGE (%) | | | |
|---------------------------|-----------|--------------|---------------------|
| Month | Total F&B | Food At Home | Food Away From Home |
| Apr-22 | 9.4 | 10.8 | 7.2 |
| May-22 | 10.1 | 11.9 | 7.4 |
| Jun-22 | 10.4 | 12.2 | 7.7 |
| Jul-22 | 10.9 | 13.1 | 7.6 |
| Aug-22 | 11.4 | 13.5 | 8.0 |
| Sep-22 | 11.2 | 13.0 | 8.5 |
| Oct-22 | 10.9 | 12.4 | 8.6 |
| Nov-22 | 10.6 | 12.0 | 8.5 |
| Dec-22 | 10.4 | 11.8 | 8.3 |
| Jan-23 | 10.1 | 11.3 | 8.2 |
| Feb-23 | 9.5 | 10.2 | 8.4 |
| Mar-23 | 8.5 | 8.4 | 8.8 |
| Apr-23 | 7.7 | 7.1 | 8.6 |
| May-23 | 6.7 | 5.8 | 8.3 |
| Jun-23 | 5.7 | 4.7 | 7.7 |

Note: these are CPI-U: All urban consumers numbers

SOURCE: Bureau of Labor Statistics

Consumer Price Index

12-month percentage change, Consumer Price Index, selected categories, July 2023, not seasonally adjusted



- The Consumer Price Index increased 3.2 percent from July 2022 to July 2023
 - compared to an increase of 8.5 percent for the year ended in July 2022.
- Food prices increased 4.9 percent from July 2022 to July 2023,
- Energy prices decreased 12.5 percent.
- Prices for all items less food and energy rose 4.7 percent, the smallest 12-month advance since the period ended in October 2021.
- Grocery prices increased by 7.1%, vs the previous rate of 8.4%

SOURCE: Bureau of Labor Statistics, U.S. Department of Labor, *The Economics Daily*, Consumer Price Index: 2022 in review at <https://www.bls.gov/opub/ted/2023/consumer-price-index-2022-in-review.htm>

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Food Prices

What can cause food prices to change?

Discuss your thoughts with the person next to you.

- Food prices can and do change throughout the year and over time.
- This may be due to a variety of reasons...
- So, let's hear some of your thoughts on what is causing food prices to increase

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Prices for Food And Beverages, 2020-2023 (\$100)

According to the U.S. Bureau of Labor Statistics, prices for food and beverages are 19.29% higher in 2023 versus 2020 (a \$19.29 difference in value).

Between 2020 and 2023: Food and beverages experienced an average inflation rate of 6.05% per year. This rate of change indicates significant inflation. In other words, food and beverages costing \$100 in the year 2020 would cost \$119.29 in 2023 for an equivalent purchase. Compared to the overall inflation rate of 5.20% during this same period, inflation for food and beverages was higher.

Source: U.S. Bureau of Labor Statistics began tracking the Consumer Price Index for Food and beverages in 1967. In addition to food and beverages, the index produces monthly data on changes in prices paid by urban consumers for a variety of goods and services.

Buying power of \$100.00 since 2020

Below are calculations of equivalent buying power for Food and beverages, over time, for \$100 beginning in 2020. Each of the amounts below is equivalent in terms of what it could buy at the time:

| Year | USD Value | Inflation Rate |
|------|-----------|----------------|
| 2020 | \$100.00 | 3.34% |
| 2021 | \$103.82 | 3.82% |
| 2022 | \$113.76 | 9.58% |
| 2023 | \$119.65 | 5.18%* |

* Not final. See inflation summary for latest details.



Inflation is our Reality

Managing It Won't Be Easy

We're all under pressure to save money



Resources-Commodity Reports

Inflation Report:
APRIL UPDATE

Primary Inflation Drivers This Month YOY:
Source: Advanced Economic Solutions (AEC), Sterling Marketing

| | | | | |
|-----------------|----------------------|-----------------|----------------------|----------------|
| Trucking | -6.7% YOY | Concrete | +14.5% YOY | Soy Oil |
| Lumber | -14.3% YOY | Corn | -0.5% YOY | Beef |

The Inflation Update is produced monthly to help you understand trends in this publication may not align with current Entegra prices as Supply pricing models and may not realize the impact of inflation for several needed, Culinary Solutions will work with the segments to adjust market

FRESH CROP REPORT

celery

| REGION | SUPPLIES | QUALITY | PRICE |
|--------|----------|---------|--------|
| CA | /// | ***** | \$\$\$ |
| M | /// | ***** | \$\$\$ |

Prices are low. Volume is high in California's Salinas Valley and Michigan. Santa Maria production continues year-round. Quality is excellent; stalks are firm with ideal color. MFC Celery is available.

broccoli

| REGION | SUPPLIES | QUALITY | PRICE |
|--------|----------|---------|--------|
| CA | /// | ***** | \$\$\$ |
| MEX/TK | /// | ***** | \$\$\$ |

The market is elevated. Industry-wide quality challenges are limiting yields at the field level. Warm weather and high humidity across the Santa Maria and Salinas Valleys has helped promote growth but introduced several quality challenges including brown head, yellowing, hollow core, and tracking. MFC Broccoli Crowns are limited. Market Best Available® (MBA) and packer label will be substituted as needed when supplies do not meet our specifications.

chile peppers

| REGION | SUPPLIES | QUALITY | PRICE |
|------------|----------|---------|--------|
| CA | /// | ***** | \$\$\$ |
| EAST COAST | /// | ***** | \$\$\$ |
| MEX | /// | ***** | \$\$\$ |

The market is steady to slightly higher, but may shoot up if Hurricane Idalia damages East Coast crops. West Coast stocks are tight after Hurricane Hilary. MFC Anaheim, Jalapeno, Pasilla, and Serrano Chiles are available.

cantaloupe

| REGION | SUPPLIES | QUALITY | PRICE |
|--------|----------|---------|--------|
| CA | /// | ***** | \$\$\$ |
| CHILE | /// | ***** | \$\$\$ |

Prices are starting to inch up as supplies are not as ample as the past month. Quality is excellent; ground spotting and light green casting are occasional issues. Sugar levels are high, approximately 14 Brix. Large sizes dominate availability. MFC Cantaloupe Melons are on the market.

cucumbers

| REGION | SUPPLIES | QUALITY | PRICE |
|------------|----------|---------|--------|
| EAST COAST | /// | ***** | \$\$\$ |
| MEX | /// | ***** | \$\$\$ |

Prices are a bit higher. Hurricane Hilary delayed Baja production last week; harvesting will return to normal this week. East Coast markets are on the rise due to Hurricane Idalia. MFC and ESS Cucumbers are available.

cauliflower

| REGION | SUPPLIES | QUALITY | PRICE |
|--------|----------|---------|--------|
| CA | /// | ***** | \$\$\$ |

Supplies are a bit tighter than in prior weeks; the market is inching up. Quality is very good; florets are exhibiting snowy white color and consistent size. ESS Cauliflower is available.

grapes

| REGION | SUPPLIES | QUALITY | PRICE |
|--------|----------|---------|--------|
| CA | /// | ***** | \$\$\$ |

The market is climbing. California green and red grape crops have been impacted by heavy rain and flooding during Hurricane Hilary. MFC Seedless Green and Red Grapes are now available.

IFMA

DATASSENTIAL

Opportunities to Improve Your Bottom Line



Managing Your Purchasing Programs

2023 HEALTHCARE 



DATASSENTIAL

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Distributor & GPO Program Management

Ensure Facilities Achieve Program KPIs

Order Guide Compliance Reporting

Optimize Contracted Items

Quarterly Business Reviews

Coordinating a “Partnership” Approach

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GPO (Group Purchasing Organization)

What is a GPO

- A GPO is an entity that helps providers find savings and efficiencies by aggregating purchasing volumes
- Negotiate discounts with manufacturers = off-invoice savings to the customer

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How does a Distributor work with a GPO?

- Work together to find savings for the customer
- Optimization of purchases quarterly
- Determine that the optimized products are a good alternative and available

Partnering With Your GPO and Distributor

- Touchpoints to review contracted/optimized items for Order Guide
- Refined OG for to your menus and to stay on trends
- Discuss and Establish Goals for Innovations Quality, Cost and Satisfactor

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Achieving KPIs

Reviewing Sales Metrics

Sales
Stops
Sales \$ Per Stop
Cases Per Stop
Total Cases
Fill Rates

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Optimizing Quarterly Purchases

Have your GPO and Distributor work together to find the best items to offer the customer for additional savings

Quarterly Business Reviews

Review the metrics growth and goals of the prior quarter

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Optimization Savings Report

Foodservice Director – FOOD Distributor – GPO
Working Together To Find Additional Savings

Total 100 Optimized
Date Range: Green = Top 100 Volume Items

| Category | Item | Description | Pack / Size | Manufacturer | Mfg Item # | Brand | Qty in Cases | Shipped Weight | Sales \$ | Avg. Case Pri | Notes |
|---------------------|--------|--------------------------------|--------------|------------------|------------|----------|--------------|----------------|-------------|---------------|-----------------------------------------------------------------|
| 3 - CENTER OF PLATE | 550295 | CHICKEN BREAST BLSL 4 OZ FRESH | 4 / 10 LB | KOCH FOODS | 413679 | KOCH | 54.00 | | \$12,078.74 | \$223.68 | best priced option |
| 7 - NON-FOOD | 158559 | CONT PLAS HNGD 1-C 9IN BLK | 1 / 100 CT | ANCHOR PACKAGING | 4669020 | ANCHORPK | 77.00 | | \$8,165.08 | \$106.04 | 128728 Cont Plas Hngd 1-C Black Clear 9x9x3 - 2/56 CT - \$83.95 |
| 7 - NON-FOOD | 871292 | CUTLERY KIT K F S ROLL NAPKIN | 2 / 50 CT | HOFFMASTER | 119971 | HOFFMAST | 122.00 | | \$7,933.80 | \$65.03 | on contract |
| 3 - CENTER OF PLATE | 102135 | BACON BUFFET LAYOUT SL THIN | 1 / 15 LB | TYSON | 0252651333 | BEKO | 119.00 | | \$7,878.66 | \$66.21 | best priced option |
| 7 - NON-FOOD | 113431 | CONT PLAS 3-C BLK SQUARE W/LID | 1 / 150 CT | ANCHOR PACKAGING | 4118523 | CULCLASC | 61.00 | | \$7,108.94 | \$116.54 | best priced option |
| 6 - DAIRY | 393399 | EGG WHOLE EASY EGGS W/CITRIC | 2 / 20 LB | MICHAEL FOODS | 4602588900 | PAPETTIS | 108.00 | | \$6,027.48 | \$55.81 | on contract |
| 3 - CENTER OF PLATE | 108646 | BEEF STRIP LOIN 1X1 CHOICE | 2 / 11 LB AV | 44 FARMS | 47311 | 44 FARMS | 22.00 | 501.59 | \$5,966.88 | \$11.90 | best priced option |
| 3 - CENTER OF PLATE | 104893 | CHICKEN BREAST DICED COOKED | 2 / 5 LB | TYSON | 0241600928 | TYSON | 75.00 | | \$4,842.41 | \$64.57 | 488422 Chicken Diced All white Cooked - 2/5 LB - \$47.38 |
| 6 - DAIRY | 389018 | BUTTER SOLID UNSALTED | 36 / 1 LB | GRASSLAND DAIRY | 3597 | GLDHRVST | 33.00 | | \$4,598.60 | \$139.35 | best priced option |

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Trends Reports-Boost Profits

AS THE SUN SETS ON SUMMER

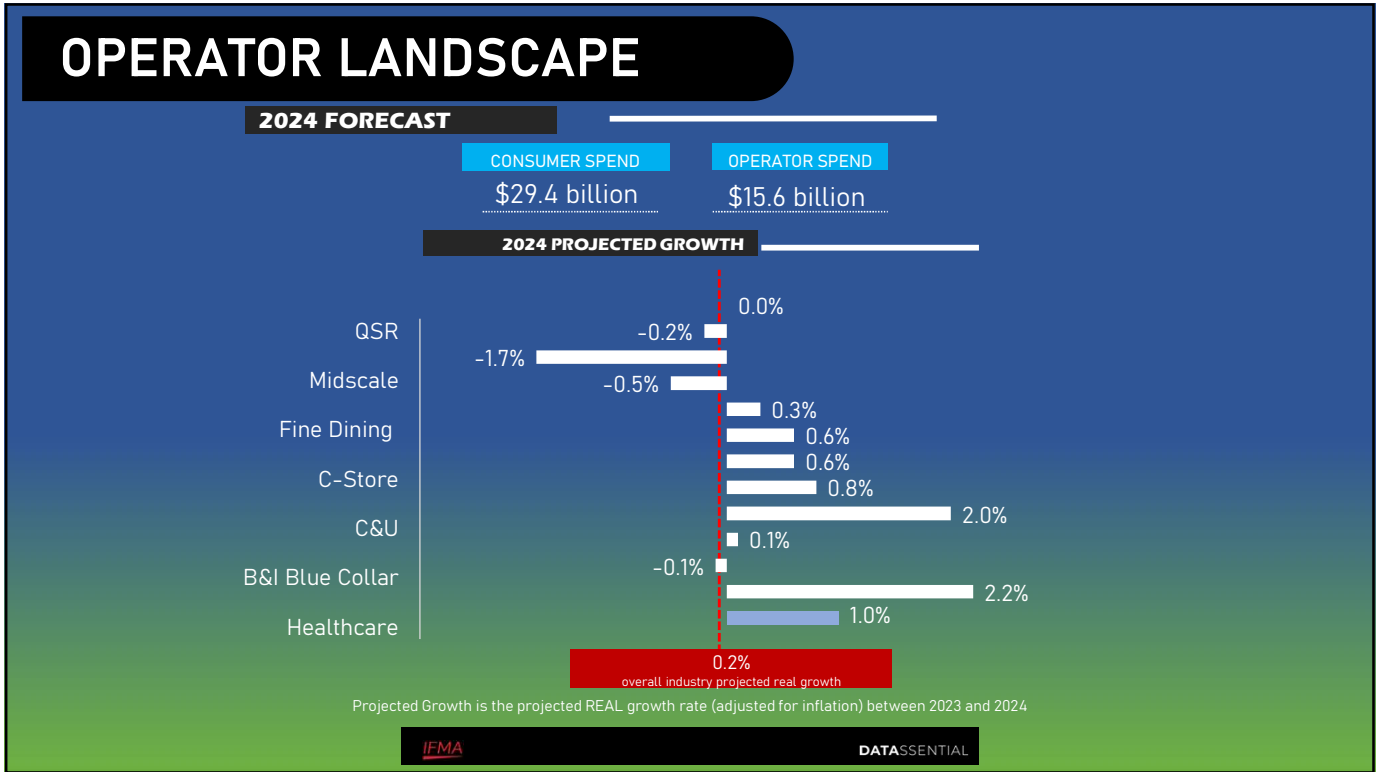
2023 TASTE AND NUTRION CHARTS UNITED STATES

2023 MIDYEAR TREND REPORT

FORCE for CHANGE

IFMA DATA SSENTIAL

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KEY CONSIDERATIONS


2023 HEALTHCARE

- **Consumers are increasing their foodservice spending at healthcare facilities – hospitals, long-term care, and senior living.**
- **Users have unique food needs for different types of healthcare facilities.**
 - Consumers want tasty options that are healthy and better for you from healthcare facilities
 - Options that are fresh and made-to-order are also universally sought across facility types
- **Food quality and affordability are hurdles.**
 - Consumers are heavily rating those factors and healthcare has room to improve on those attributes.
- **Hospitals foodservice offerings are improving.**
 - Especially important for senior living facilities.
 - Nearly half of consumers said that hospital foodservice offerings have been improving over the past two years, while the majority said senior living and LTC have not changed.
- **An aging population that lives longer will help segment growth.**
 - Other drivers include healthful food trends, flexible dining options, treatment-based meal plans, and a larger insured population.
 - Some headwinds for the segment include increased use of at-home care, labor shortages, corporate mergers, and seniors staying in their homes longer.

Contact: hello@datasential.com | DATAESSENTIAL

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DRIVERS

2023 HEALTHCARE 

KEY GROWTH DRIVERS

- an aging population
- population that lives longer
- healthful food trends
- more flexible dining options
- return of catering/events
- health/treatment-based meal plans
- return of visitor and employee feeding
- larger insured population


OPERATOR PAIN POINTS

- potential insurance coverage changes
- increased use of at-home care and recovery
- supply chain challenges
- balancing patient, visitor, vs. staff needs
- labor shortages
- corporate mergers/concentration of locations
- managing specific dietary needs
- seniors staying in their homes longer

IFMA DATASSENTIAL 2023

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PATRON PROFILE


2023 HEALTHCARE 

FOOD & FLAVOR PREFERENCES

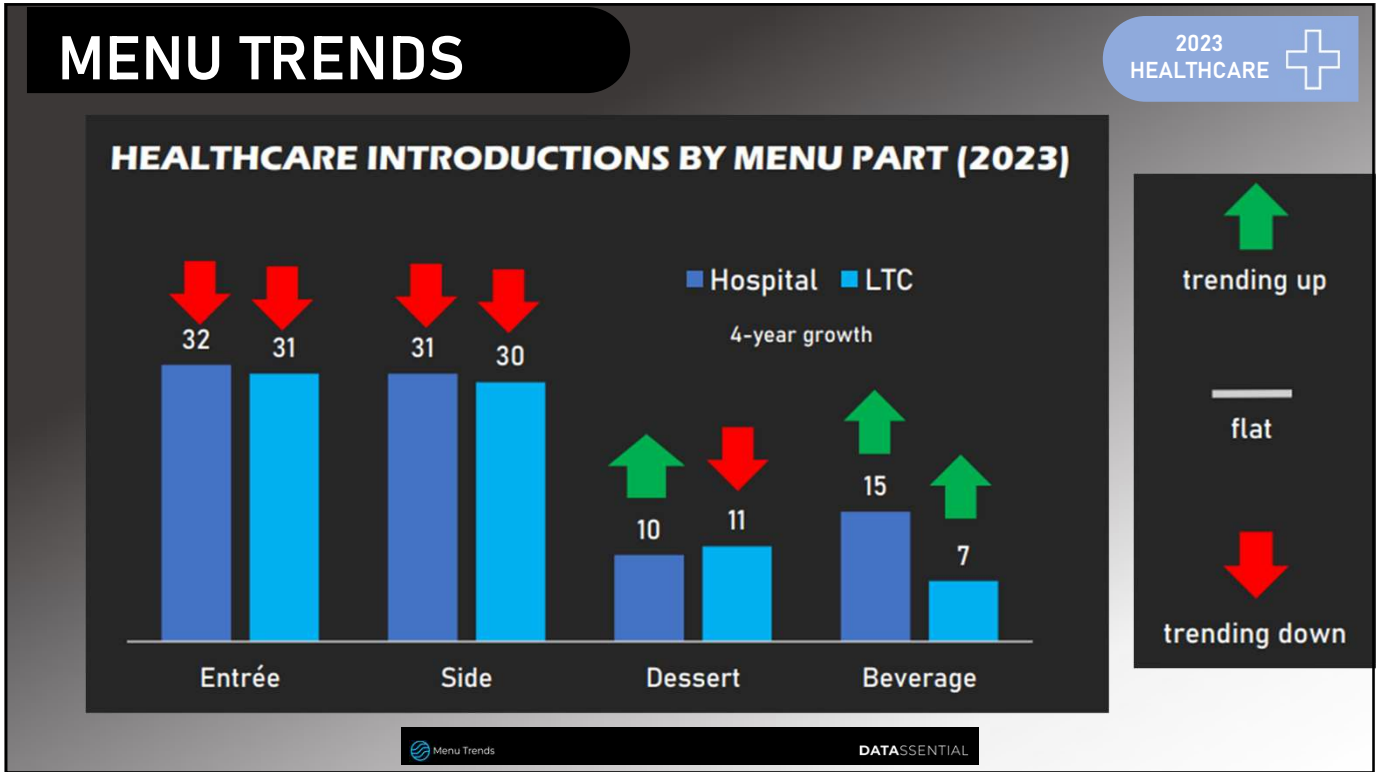
Compared to the general population, hospital users really love:

- Pasta alternatives
- Sweeter leaning savory flavors (ponzu, maple bourbon)
- Coffee beverages
- Indian influence

| FLAVORS | LOVE IT INDEX | FOODS & DISHES | LOVE IT INDEX | BEVERAGES | LOVE IT INDEX |
|------------------------|---------------|-----------------------------|---------------|---------------------|---------------|
| Cherry Blossom | 267 | Oklahoma Style Onion Burger | 240 | Bulletproof Coffee | 200 |
| Chicken Salt | 250 | Makhani | 233 | Dirty Martini | 200 |
| Red Clam Sauce | 225 | Chicken 65 | 225 | Egg Cream | 200 |
| Truffle Aioli | 220 | Madras Chicken | 200 | Carrot Juice | 200 |
| Maple Bourbon | 213 | Cauliflower Pasta | 200 | Protein Water | 186 |
| Pink Peppercorn | 200 | Gluten Free Pasta | 200 | White Tea | 183 |
| Calabrian Chili Pepper | 200 | Thai-Style Omelet | 200 | Instant Coffee | 179 |
| Coffee Rub | 200 | Brochette | 200 | White Coffee | 175 |
| Ponzu Sauce | 200 | Jalfrezi | 200 | Clamato | 175 |
| Caraway | 200 | Sizzling Rice Soup | 200 | Peanut Butter Shake | 169 |

 Consumer Preferences index above 120 index 110 - 119 DATASSENTIAL

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MENU TRENDS

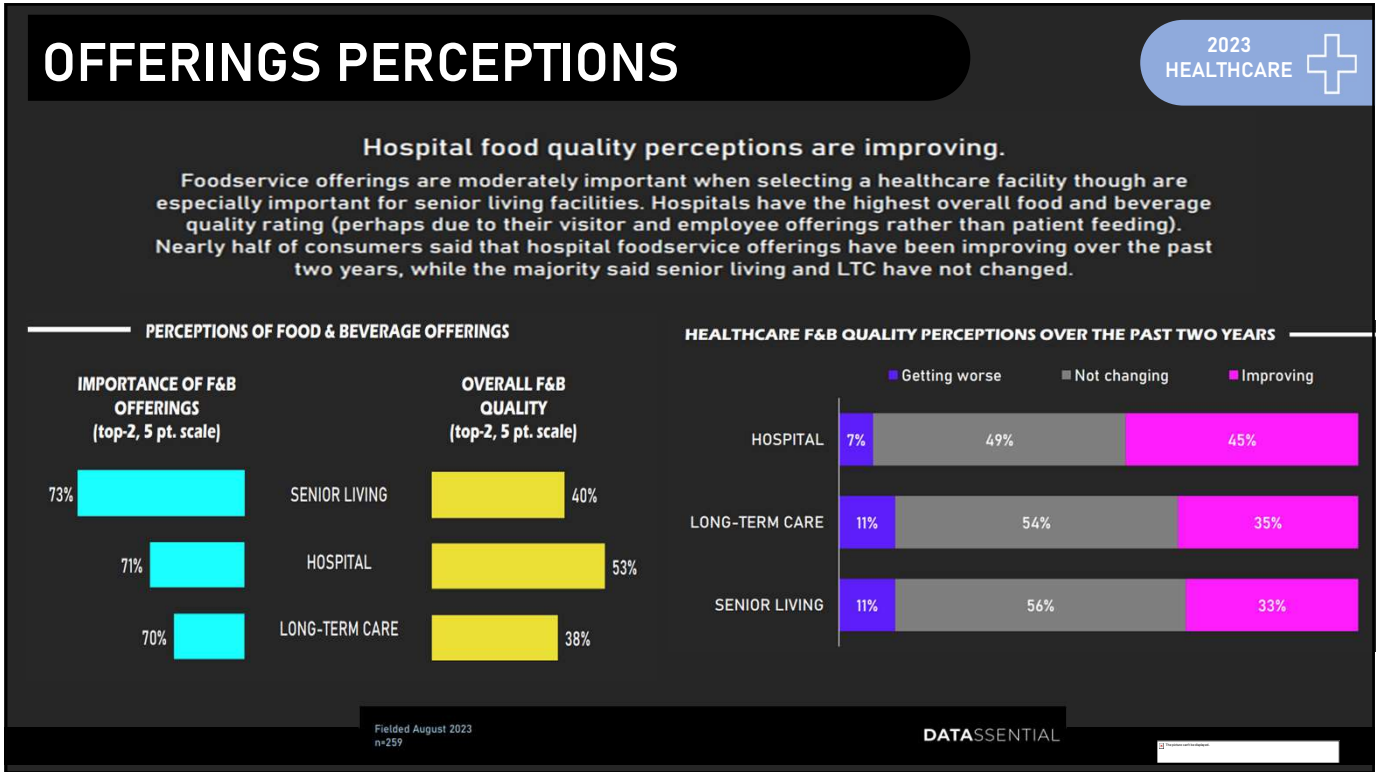
2023 HEALTHCARE

- Healthcare menus – decreasing the number of entrees & and sides
- Beverages are a chance to differentiate in both segments
- Expanding menu descriptions and offering comfort foods
- In long term care there is an increase in call outs for garnishes and an importance on presentation
 - toppings with colorful radishes or scallions
 - Dessert Garnishing

| HOSPITALS | LONG TERM CARE |
|------------------|-----------------|
| Pork Sausage | Radish |
| Braised Beef | Sauteed Pepper |
| White Chocolate | Scallion |
| Bell Pepper | Polish Sausage |
| Latte | Kalamata Olive |
| Shredded Cheddar | Spring Mix |
| Thigh | Whipped Cream |
| Flour Tortilla | Decaf |
| Chicken Broth | Hot Tea |
| Vegetable Broth | Atlantic Salmon |

Menu Trends | DATASSENTIAL

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CONSUMER INTERESTS

2023 HEALTHCARE 



FOOD WANTS BY TYPE OF HEALTHCARE FACILITY (top-2, 5 pt. scale)

| | HOSPITAL | LTC | SENIOR LIVING |
|-----------------------------------------------------|----------|-----|---------------|
| Tasty/delicious options | 79% | 75% | 74% |
| Work equally well for patients, staff, and visitors | 76% | 69% | 71% |
| Fresh/made-to-order | 75% | 73% | 75% |
| Healthy/better-for-you foods | 70% | 75% | 79% |
| Convenient/available quickly | 69% | 68% | 68% |
| Lots of variety each day | 68% | 69% | 70% |
| Cater to specific diets | 66% | 69% | 70% |
| Low cost/inexpensive/affordable | 66% | 71% | 71% |
| Offerings that change and are updated frequently | 62% | 71% | 67% |
| Interesting/unique menu items | 60% | 62% | 66% |

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Resources-Partnerships

How to Promote your Food Business
 Promotions are a great way to get new customers and to keep your old customers coming back!
 We're not going to sugarcoat it for you: the restaurant industry is facing about serious, far-reaching changes to the industry, and its impact will come. In order to be successful, restaurants need to take extra steps to get new customers and to keep your old customers coming back.
 It can be challenging to figure out the best way to handle promotions, both online and in person. This guide will help you navigate menu promotions, both online and in person, with [plating tips](#) and tricks.
 Why are promotions so effective?

Resource Grid:

- CULINARY RESOURCE TEAM
- DESIGN SOLUTIONS
- DIGITAL MARKETING
- MENU PROFITABILITY
- MERCHANDISING AND PROMOTIONAL SUPPLIES
- POS RESOURCES
- PURCHASING & INVENTORY MANAGEMENT
- RESTAURANT MANAGEMENT
- SERVSAFE TRAINING
- TEXT MESSAGE MARKETING
- UNIFORMS
- LEARN MORE

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Conclusion

- Review Inflationary Factors – regularly
CPI Data
Pay attention to the Nightly News
- Utilize Resources to Improve Your Department's P&L
Optimize Distributor and GPO KPI
Utilize Product Optimizations
- Keep Current on the Everchanging Consumer Food Trends
Increase Sales or Participation
Market Your Operations to Increase Customers
- Utilize the Partnerships
With Vendors, Manufacturers and Memberships
Think Outside of Your Department or Organization



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Thank you

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