



June 16, 2023

To Our Valued Customers,

In this supply update, we will share the latest service level insights, supplier guidance, and future observations for product availability.

Supplier fill rates remained stable in the last month and improved 10% over prior year. Of the top 25 most impactful categories based on sales and out of stocks, 32% have fill rates of less than 79%, 24% have fill rates between 80% - 84% and 44% are filling orders at +85%. Constrained Natural brands are reporting short term recovery guidance due to operational transitions such as pack changes and warehouse changes. Constrained Conventional brands are reporting longer recovery guidance due to raw material and sourcing delays.

The West Coast Longshoremen labor contract negotiations which began in May 2022 have yet to be ratified. Tensions are rising as port workers slow or stop work in several ports, triggering significant delays and backups. This contract bridges 29 ports across the West coast and is responsible for 50% of all U.S. imports. We are watching the situation closely and working with suppliers to mitigate any disruptions.

Americold Cold Storage, a third-party cold storage facility, has recovered from a cyber security breach in late April, affecting 30% of their facilities and interrupting service across several frozen food categories sourced from these warehouses over the last month.

We just wrapped up our Mohegan Sun Holiday Selling Show. Thank you for making this one of our largest and most well attended shows to date. 2,987 attendees previewed over 1,250 brands for the holidays. We featured over 1,100 new items, 80 certified diverse suppliers and UpNext emerging suppliers. The show demonstrated our unique abilities in scale, insights, and innovative offerings to help retailers plan their assortment and take advantage of our exclusive products and deals.

Please join us at one of our next UNFI Winter selling shows; use this registration [Link](#)



UNFI events
WINTER SHOW
CONVENTIONAL
MINNEAPOLIS, MN

August 8-9, 2023
Minneapolis Convention Center
Minneapolis, MN



UNFI events
WINTER SHOW
NATURAL
LAS VEGAS, NV

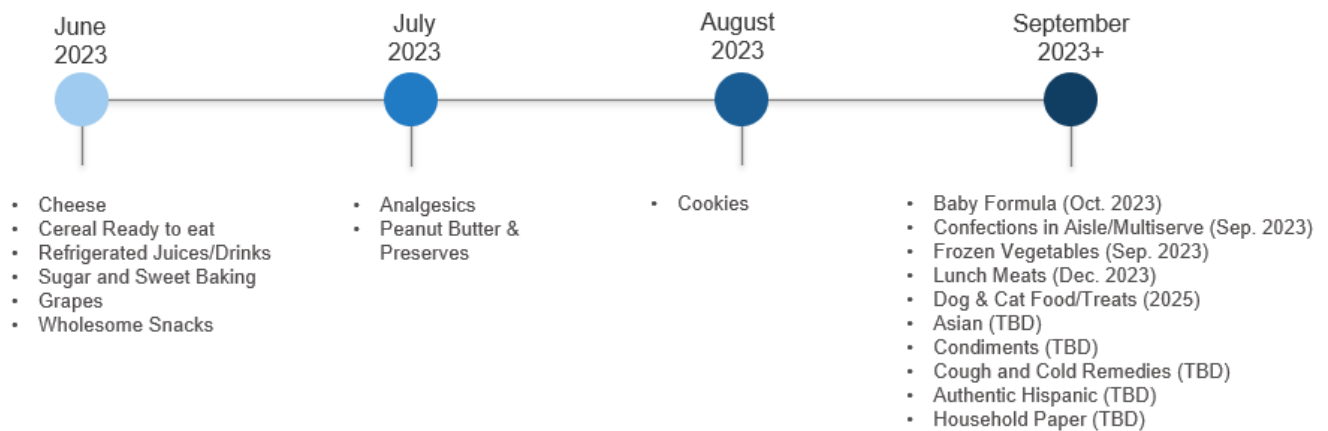
September 27-28, 2023
Mandalay Bay
Las Vegas, NV

Recovery Guidance for the most challenged categories to service level:

Natural



Conventional



Key Natural Insights since last month:

- 32% deferred recovery an average of 1 month
- 68% reporting improved or no change in recovery guidance

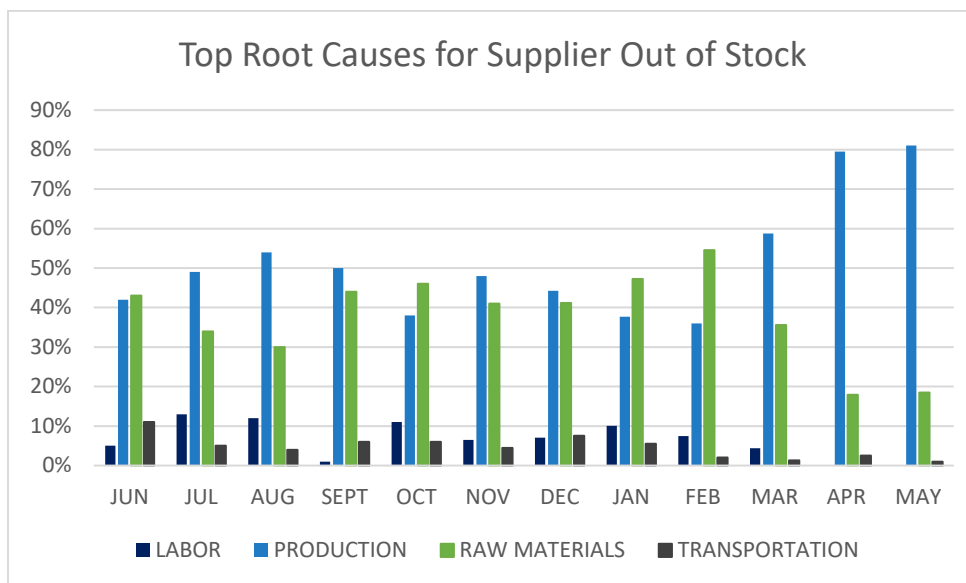
Key Conventional Insights since last month:

- 24% deferred recovery an average of 2 months
- 76% reporting improved or no change in recovery guidance

Please remember to review [Critical Category Insights on myUNFI portal under Lists and Publications > Publications > Service Level Updates](#) for specific brand, category, and seasonal updates.

Service Level Challenges broken down into four major root causes:

The top root cause reported for out of stocks last month was due to production delays, largely due to increased demand causing short term delays, pack changes and warehouse transition delays.



Key Upcoming Seasonal General Merchandise and Candy Update

Cough/Cold:

Major brands are slowly closing service level gaps as the demand for cold and flu remedies start to decelerate and raw ingredients and supply stabilize. Ongoing supply concerns on the following:

Dayquil / Nyquil Liquicaps – Recovery has begun, steady improvement expected thru early July

Base Robitussin / Theraflu / Advil - Recovery expected early June

Children's Advil - Recovery expected in Q3 2023.

Tylenol - Allocations increasing, Full recovery expected late July

Mucinex - Allocations increasing. Recovery expected mid-June on Fast Max LiquiGels.

GM Summer

- 92% has been received and are shipping
- 8% were cancelled by suppliers

GM Back to School

- 82% has been received and are shipping
- 16% are due into UNFI facilities in June
- 2% were cancelled by suppliers

**Summer Candy:**

- Retailer ship window: 3/27-6/23
- 95% product has arrived
- 3% is due in June
- 2% cancelled by suppliers

Halloween Candy:

- Retailer ship window: 7/24-9/8
- Orders are placed to arrive in July to UNFI warehouses

Christmas Candy:

- Opens for ordering: 5/21/23
- Closes for orders: 6/17/23

Next catalog open for ordering:

- GM Easter/Spring: Opened for ordering on 6/5/23; closes on 7/2/23
- Valentines Candy: Opens for ordering 7/16/23; closes on 8/12/23

Planogram Update Process

- Conventional Base Planograms (POGS) are available on MyUNFI and are updated quarterly
- Natural POGs are available through your UNFI Account Manager

Other Category Management Insights

The Category Management Team continues to evaluate trends and provide guidance through the review process. Additional insights for inflation, Brands +, and Category Insights can be found within the Natural and Conventional Express Lanes and Trends Reports. These documents are available as follows:

- Natural Express Lanes are available from the UNFI sales team or on myUNFI under What's New.
- Conventional Express Lanes and Executive Summaries are available on myUNFI, retailers cycle packets (Home Store retailers), posted on SV Wire, in the Executive Summary Folder. Express Lanes are also available to all UNFI Conventional retailers from your UNFI sales team.
- Upcoming Trends Reports will be publishing at the end of July to support retail planning for the New Year: Black History Month (February), Macro Trends for Recession Planning, New Year's Self Care with Keto, Paleo, Whole30, detox and cleansing.

Thank you for your business and trust in UNFI. We're committed to keeping you informed on industry and supply chain fluctuations that matter most to your consumers' needs, as market conditions evolve.

Sincerely,

John Raiche
EVP Supplier Services