

Grocers Grapple with Ongoing Shortages

Food retailers throughout America, especially small or regional ones, are having problems getting food supplies that match anything they dealt with in the early stages of the pandemic.

Shortages of labor, packaging materials and raw ingredients are making food & beverage processors ship as little as 40% of what their trade customers order, grocery executives **told the Wall Street Journal**. Processors are struggling to meet unexpectedly high demand: monthly grocery sales are up 3% from a year ago, when the pandemic was still in full swing, and up 14% from two years ago, before the pandemic, according to IRI research quoted in the Journal.

The CEO of Rouses Markets, a chain of about 60 stores based in Louisiana, said he has had so many problems getting Lunchables meal kits from Kraft Heinz that the store has taken to assembling its own. Kraft Heinz told the Journal that demand for Lunchables is the most intense in five years.

Walmart has reinstated penalty fees for incomplete shipments after suspending them last spring, but that hasn't helped. However, the bigger retailers in general are faring better, as processors favor them during shortages.

Source:

<https://www.foodprocessing.com/industrynews/2021/grocers-grapple-with-ongoing-shortages/>

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