

August 2021, Issue 76



SafeSourcing e-Newsletter

Have comments, questions, or suggestions about the SafeSourcing e-Newsletter? Let us know what you think by emailing us at the following address. We look forward to hearing from you!
events@safesourcing.com

Trivia!

What does CAO mean?
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Industry News

Packaging Increases

Tackling Plastic Waste

Circulate Capital Ocean Fund is backed by a small number of large multinational corporations that include Coca-Cola, Danone SA, Procter & Gamble and Unilever PLC. They aim to broaden both investor base and investment remit in order to tackle the biggest global pollution problem—plastic waste. “Circulate is one of a small but growing number of firms investing in companies that contribute to what they call the circular economy, a business model that seeks to eliminate waste that organizations produce, continuously reuse products and materials and regenerate natural systems.” A number of large multinational corporations are funding the efforts as a push to reduce both overall waste, but their own company’s waste. By the year 2025, Unilever aims to cut their amount of virgin plastic by half. Coca-Cola aims to make its global packaging recyclable by 2025 and use 50% of recycled packaging by 2030. ■

Atli Arnarson, 516/2019, Healthline

INSIDE THIS ISSUE

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2	Trivia! Answer

COMING NEXT ISSUE

Sep.	Answer to our Trivia!
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Recent Savings

Air Filters

Savings were over 21% of total spend. ■

Paper Supplies

Savings were over 42% of total spend. ■

*Please [contact SafeSourcing](#) to schedule your RISK FREE event today.

That Next Drink Might Cost You More

It is getting more expensive to make wine, beer, and spirits. Some vineyards, brewers, and distilleries have been absorbing increased costs, but that might not be the case for long. Cardboard packaging, aluminum for beer cans, labels, transportation and energy are all rising. Cris Steller began getting emails from suppliers warning his California distillery to get ready for price increases. For now Mr. Stiller's Amador & Dry Diggings Distillery is holding back on increases. Stellar said once increases are in place, you're locked into it. It's a question if this a temporary increase or permanent. Transporting a pallet of spirits went from \$590 last year to \$905 this year. Booze makers face the same cost pressures as other businesses—higher energy and transportation costs. The cost to move a truck load of beer, or the ingredients, over 600 miles have doubled for small and mid-sized breweries due to high demand and lack of drivers. The price of aluminum has increased 70% since May 2020. So far the price increases haven't caught up with the consumer. The beer industry typically won't increase their prices until their competition does. Some of the brewery giants, such as Anheuser-Busch InBev SA (the world's largest brewer) had already locked down the pricing with its suppliers in advance.

At Nick Weis's Winery in southern Germany labels for their wines have risen 5% since before the pandemic. The time it takes to get the labels printed has doubled. The cardboard boxes used to package a dozen wine bottles has risen 8%. His pricing has remained the same as he doesn't want to lose market share. ■

Alistair MacDonald, WSJ, 7/1/2021

General Mills Increases Pricing

General Mills, the maker of Cheerios cereal and Betty Crocker cake mix has announced they are increasing their prices as they face the highest costs in a decade. Due to ingredient increases, packaging, transportation, and labor, the overall cost increase will be 7% or higher next year. Campbell Soup Co. and J.M. Smucker are also charging more. General Mills indicated they are cutting internal cuts by making their operation more efficient. It is difficult to determine how consumers will react to higher prices. They may buy less food. "General Mills on Wednesday projected its 2021 profits would remain flat or decline as much as 2%. For its latest quarter General Mills said profits fell by one-third to \$416.8 million, versus the same period last year, when the pandemic's onset in the U.S. set off a surge in food purchases." ■

Annie Gasparro and Micah Maidenber, WSJ, 7/1/2021

Trivia! From July 2021 Issue

What does Bill and Hold mean?

Bill and hold is a sale arrangement made by the seller and the customer prior to the delivery and is held by the seller. In the bill and hold process, a seller of the goods bills the customer for the products, but does not ship until the customer needs the product. In order for a transfer of ownership to occur, certain provisions must be met. These provisions would include: payment for the goods, the goods be segregated from all other similar goods by the seller, and the goods be finished and ready for use.

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QUESTIONS AND ANSWERS

Q: How can I subscribe or unsubscribe to these newsletters?

A: You can subscribe or unsubscribe to these free newsletters by simply going to our [website](#), and clicking the option "e-Newsletter" or by contacting us directly at events@safesourcing.com.

Q: I have run events in the past, is there any chance I could be saving more?

A: Yes. No matter when your past event ran, the team at SafeSourcing can find ways for your company to save.

Q: I want to know more about what SafeSourcing does. Who can I talk to about this?

A: You can contact a customer services representative by calling us at 1-888-261-9070 or by going to our [web-site](#) and trying our "Risk Free Trial" offer.

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