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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 Vertical Exchange mean?

www.safesourcing.com

Industry News

Businesses Spending Habits

UPS Sells Freight Business

United Parcel Service, Inc. agreed to sell its freight business to TFI International, Inc. for \$800 million in order to focus on its small-package delivery business. This is the biggest strategic shift by Carol Tome' since she took the position of Chief Executive last June. Her attitude of "better not bigger" has been her mantra. TFI is based in Canada and provides similar freight trucking services, logistic services, and parcel shipping. "UPS Freight offers less-than-truckload services, in which cargo from multiple shippers is combined in a singular trailer, in all 50 states, Canada, and Mexico. The business has about 14,500 employees, 80% of whom are full time, UPS said."

It is the sixth largest carrier by revenue in the US less-than-truckload market, behind FedEx Corp.'s FedEx Freight Unit and Old Dominion Freight Line Inc. UPS Freight generated approximately \$3.15 billion in 2020, slightly down from 2019. TFI reported revenue of \$4.1 billion in 2019 on their less-than-truck load and logistics operation.

UPS and FedEx have had huge increases in shipping during the Coronavirus pandemic, as consumers ordered everything from toothpaste and toilet paper, home office supplies, and outdoor play sets. Although carriers have raised shipping rates, it has had little effect in slowing down online buying. "The acquisition leaves UPS rival FedEx, whose FedEx Freight Unit has better operating margins than UPS Freight, as the biggest major parcel shipper with a less-than-truckload operation." ■

[Jennifer Maloney, WSJ, 12/16/2020](#)

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COMING NEXT ISSUE

Apr.	Answer to our Trivia!
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Recent Savings

PCs and Tech Equipment

Savings were over 34% of total spend. ■

Bottled Water

Savings were over 17% of total spend. ■

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

Increase in Grain Stress Meatpackers

The soaring costs of crop prices have changed the fortunes for the biggest agricultural companies while saddling meat producers with sharply higher costs. Both Tyson Foods Inc. and Pilgrim Pride Corp. indicated the rising cost in grain this year will affect their chicken business and may lead to higher prices for the consumer. Feed is typically the highest cost in raising birds. This comes at the same time as meatpackers are spending hundreds of million dollars on COVID 19 measures. Stewart Glendinning, Tyson's Chief Financial Officer, said the change in grain prices is enormous. Tyson is projecting lower sales results from their chicken business. Pilgrim Pride said that the higher cost to feed poultry will be shared by supermarkets and restaurants. On February 11, Tyson's shares dropped 5.7% and Pilgrim Pride dropped 5.6%.

Surging demand and diminishing supplies are driving agricultural commodity prices higher. "After U.S. farm exports to China swooned during the two countries' trade war, they have rocketed back since last summer, driven by Chinese pork producers' efforts to rebuild hog herds lost to African swine fever." In 2020, China purchased \$26.4 billion of U.S. agricultural products, nearly double from the previous year. ■

Jacob Bungeing, WSJ, 2/12/2021

Home Depot and Macy's Look to 2021 Consumer Spending After COVID Vaccine

Both Home Depot Inc. and Macy's Inc. said pandemic spending habits continue into 2021, driving home improvements. Depending on the health crisis, things could change in the second half of the year. The two companies have been on opposite sides of the pandemic. Home Depot experienced a 20% increase in revenue in 2020 as consumers stayed home and made home upgrades. Macy's experienced a 30% decline as consumers spent less on apparel. Home Depot's Finance Chief, Richard McPhail declined to predict this year's forecast because with the COVID vaccines rolling out, things could change dramatically in consumer spending. Macy's Chief Executive, Jeff Gennette, however, is optimistic about the apparel side of the business as more people get vaccinated, they are planning big events such as weddings and returning to the workplace. Mr. Gennette also indicated that he sees online shopping to continue to be strong. Macy's returned to a profit during the holiday quarter after losing more than \$4 billion in the first 9 months of 2020. ■

Matt Grossnan and Suzanne Kapner, WSJ, 2/24/2021

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 [website](#) and trying our "Risk Free Trial" offer.

Trivia! From February 2021 Issue

What does United States Grade Stamp mean?

A United States Grade Stamp signifies that a product is clean, safe and wholesome, and has been produced in an acceptable establishment, with the appropriate equipment, under the supervision of federal inspectors. It also indicates the product is of a specific grade, identified by the appropriate United States grade designation, as determined by a federal inspector according to established requirements of United States grade standards by agencies such as the USDA, or the USDC.

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