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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 is FSQA?

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Industry News

More Price Increases

Steel Boom

The demand for steel appears to be holding strong into 2022, keeping prices high for customers of auto manufactures and appliance makers. The \$180-billion US steel industry boom came when COVID-related shutdowns of mills occurred. "Steel inventories remain tight as mill outages and transportation bottlenecks have crimped shipments, keeping some steel buyers on edge about acquiring enough supply in the coming months." Steel companies have reported record quarterly profits. The spot-rolled sheet steel has been just below \$2,000 a ton since July. The elevation of consumer spending and business spending for steel products ranging from cans to automobiles has been responsible for the demand. Cleveland-Cliffs Inc., the biggest US steel supplier, reported that buyers are willing to pay more for automobiles and appliances, as steel makers continue to negotiate 2022 supply deals. Cleveland-Cliffs' Chief Executive L. Gonclaves anticipates auto production will rebound next year as supply-chain shortages, including semiconductor chips ease. Steel production is at the highest rate in years, running at 93% capacity. Steel users claim shortages were aggravated by some older mills closed after the pandemic shutdown.

Nucor Corp. is close to completing an expansion of its Gallatin, KY mill. United States Steel Corp. outlined their plans to build a 3-million ton mill. Cleveland-Cliffs has no plans to add mills and warned steel manufacturers that they may be putting themselves at risk when the steel demand weakens. Steel analysts expect prices to recede next year when the supply is replenished. ■

Bob Tita, WSJ, 10/28/2021

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COMING NEXT ISSUE

Nov.	Answer to our Trivia!
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Recent Savings

Creamer and Sweeteners

Savings were over 15% of total spend. ■

Trash Removal

Savings were over 24% of total spend. ■

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

McDonald's Raises Menu Prices

In order to keep up with rising costs, including a 10% increase in employee wages this year, McDonald's has increased their menu pricing. The company is struggling to hire enough staff to keep their doors open even with higher wages as an enticement. The company is paying more for paper, food and supplies. The commodity costs for the year have risen 3.5% to 4%, up 2% from earlier in 2021. It is expected that menu prices will increase by 6% compared to last year. "Companies across the globe are raising consumer prices in response to growing costs spanning distribution and freight to fuel and food. U.S. inflation in September remained at its highest rate in more than a decade, Labor Department data showed."

Starbucks Corp. will increase the average employee pay to \$17 an hour from \$14. Baristas that have been with the company will get a 5% pay increase and employees that have been with the company for five years or more will be eligible for up to 10% pay increase. Many restaurants have increased menu prices to offset higher wages for cooks and servers, as well as increased prices for meat, packaging, vegetable oil and other commodities. ■

Heather Haddon. WSJ, 10/28/2021

Inflation and Shortages

Kraft Heinz Co. blames the snarled supply chain for the problems to produce kid's meal and other flagship products. "The food giant on Wednesday said capacity constraints limited its ability to meet demand for 'back-to-school' products such as single-serve beverages and meal combos, which grew rapidly as children returned to school during the latest quarter." The company predicts that they will have similar problems for certain holiday products this year. Kraft's supply-chain challenges for packaging and key commodities such as dairy, meat, and coffee continue to be a hurdle. Last month the company said they had increased prices across approximately two-thirds of its US products, resulting in price increases between 4% and 5%. If inflation rates continue, Kraft is prepared to further boost their pricing. ■

Jesse Newman and And Dave Sebastian, 19/28/2021

Trivia! From October 2021 Issue What does eTailing mean?

eTailing is the conducting of retail Business via sales of goods or services over an electronic medium such as the internet. Sales can include business-to-business, or business-to-consumer. Revenue for eTailing can come through the sale of products and services, through subscriptions to website content, or through advertising. eTailing requires businesses to tailor traditional business models to the rapidly changing face of the internet and its users.

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

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