



Foodservice Division

Hormel Foods Sales, LLC
1 Hormel Place
Austin MN 55912-3680

January 29, 2023

Dear Valued Customer:

Thank you for your recent renewal request for Jennie-O Turkey Store (Hormel Food Sales, LLC) to supply your USDAA commodity processed turkey needs. We have reviewed the PPI index form supplied and the following entries are applicable to processing turkey:

Labor Manufacturing – productivity down 2.9% and hourly compensation up 2.7%
Transportation and Warehousing – up 6.7% over 12 month time frame

These numbers shown are not reflective of the many issues Covid 19 and inflationary pressure has had on production companies. Listed below are some of the increases we have experienced and must over in our new pricing.

For the 2023-2024 school year our pricing has changed some. These changes are brought on by production floor changes due to Covid 19 and immense inflationary pressures, labor 6.6%, overhead 16.9%, supply issues (both production and receiving) and grain costs (feed this year is 429.38/ton vs last year of 340.84/ton). Please know that we are constantly monitoring our systems and processes in order to provide the best tasting quality products for your students.

We look forward to continuing to deliver the products your students love to eat.

Best Regards,

Jennifer M Johnson
Finance Manager – K12 Administrator
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