



**Official Statement of
The Wright Group**

April 17, 2020

UPDATE

2019-nCoV (Coronavirus) Situation

The coronavirus will be singularly responsible for speeding up the evolution of business in 2020. States have extended the mandatory Stay-At-Home order until April 30th, 2020. Companies and consumers are continuously being asked to adapt the way they do business and live their lives. Lots of companies are learning that a work-from-home business model is a real possibility. Grade schools and colleges have transitioned to online education. Some of the local small businesses and retailers that were temporarily closed will not be able to recover. Online distribution which was already reporting steady growth over the last decade will only continue to gain market share. U.S. based production may increase as businesses spread around their supplier base to avoid delays they experienced from China being shut down.

Food manufacturing continues to see a surge for shelf-stable pantry items as people persist in 'panic buying' behavior. Companies are adjusting their operations to meet increased demand. Consumers are recalibrating their buying habits, increasing the likelihood that spending may permanently shift. With schools closed, people working from home and sit-down restaurants shuttered, 'packaged foods' sales are steadily increasing for at-home eating. Analysts are predicting the trend to last 8-12 months. Food-at-home presently constitutes approximately 80% of consumer spending, compared to 50% before the pandemic.

Food retailers and manufacturers are reporting extreme confidence that the food supply is in good order and can accommodate the unprecedented surge in demand. Conagra CEO Sean Connolly released a statement saying, "On a quarter-to-date basis, shipments and consumption in our domestic retail business have increased approximately 50%, which have more than offset the impact of worsening trends in our foodservice business." Conagra raised its profit forecast for 2020 as the pandemic has pushed consumer demand for groceries and snacks through the roof. Kellogg was previously forecasting a 3%-4% decline in earnings per share for 2020. Due to pantry item purchasing they experience their highest stock surge in over a year last week. The earnings are projected to continue growing for the next 2 quarters. It is presently estimated that packaged food sales will jump 15%-30% March through May.

Manufacturers, distributors and retailers are working to keep stores across the

country stocked. This will have a trickle-down effect on you, our customers, and eventually us. Although we currently don't have a necessity to increase lead-times, it is definitely a possibility. We recommend continuing to give us as much advanced notice as possible and emphasize that June PO's should be in house by the end of next week. Although we've seen more and more movement from China, now other parts of the world are being devastated by the virus and closures. This will have an impact on other ingredients manufactured from other regions, and we need to stay ahead of this as much as possible. Remember that patience, not panic.

We continue to emphasize and ask our employees to be diligent when it comes to infection control. This includes hand washing, the use of alcohol-based sanitizers, disinfecting/cleaning frequently contacted surfaces, maintaining a safe distance between personnel, avoiding large meeting events, and staying home if they have a fever or are not feeling well. Management is constantly monitoring the situation and involved in daily updates and debriefs with each other, while consolidating and distributing information out to the sales team and staff as often as possible. We will continue to inform our customers on a weekly basis on the supply chain and how it may impact the business, as well as put forth any recommendations we see fit.

As of today, COVID-19 and the Novel Corona Virus has affected approximately 2,196,109 patients worldwide with over 149,000 deaths (*according to W.H.O.*). In the US, approximately 672,293 cases have been confirmed. For further details on 2019-nCoV and preventative measures please visit the CDC ([cdc.gov](https://www.cdc.gov)) and WHO ([who.int](https://www.who.int)) websites.

*(**Note:** COVID-19 is the disease and stands for Corona Virus Disease, 2019-nCoV is the virus and stands for Novel Corona Virus)*

Quality Control Details and Safety Concerns:

We believe the vitamin/mineral supplies originating from China are safe. Current 2019 Novel Coronavirus (2019-nCoV) information from the CDC and WHO concerning the spread and survival of this virus states "person-to-person spread is thought to occur mainly via respiratory droplets produced when an infected person coughs or sneezes." According to the WHO, "it is still not known how long the 2019-nCoV virus survives on surfaces, although preliminary information suggests the virus may survive a few hours or more. Simple disinfectants can kill the virus making it no longer possible to infect people." Based on this statement, the CDC and WHO have deemed it safe to receive packages from China at this time.

We are currently working with suppliers to verify and validate the safety and integrity of supply chain components originating in China. Our vendors in China follow FDA regulation and drug cGMP with clean-room set-up. We also conduct food safety audits on these facilities.

Thank you to everyone within The Wright Group, our suppliers, our customers and the communities we serve for your continued hard work, support and communication. We will get through these challenges by patiently working together in the spirit of cooperation and understanding. The Wright Group will continue to provide regular updates published to our website. To reiterate, *it is patience and not panic with this virus.*

Sources:

[CDC](#); [World Health Organization](#); [Fox Business](#); [NY Times](#) ([Click here for map of virus](#)); [WSJ](#)

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