



COMMODITY UPDATES

DAIRY

Milk production forecasts for both 2018 and 2019 are lowered from last month on slower-than-anticipated growth in milk per cow and lower cow numbers. Although tempered by lower expected feed costs, lower milk prices will likely weaken producer margins, resulting in lower cow numbers and slower growth in milk per cow.

Source: World Agricultural Supply and Demand Estimates, USDA, July 12, 2018

AN EMERGING TREND

rewrites an old rule

It was not that long ago when retailing had a single dominant rule for success: "Location! Location! Location!"

Of course, even then, success in the food-service industry demanded a more complex command of aspects such as hard-earned intelligence regarding products, competition and customers. Today, access to such intelligence has never been more critical. Fortunately, regarding customers, it's never been easier.

THE CUSTOMER IS STILL THE KING

If there is any dominant factor now, it surely must be customer choice. True, both traditions and innovations can enhance your product offering, and industry research can help define your competitive landscape. But it's knowing your customer preferences that truly delivers sustainable results. In essence, fully understanding consumers gives you information that helps you evaluate dayparts, deploy staffing, reduce waste, plan menus and initiate effective promotions.

Consider how dayparts in the food industry are becoming blurred, as illustrated by expanded demand for round-the-clock breakfast and



Technology is becoming a major part of the QSR industry

In fact, 25% of consumers report that the availability of tech figures into their decision of whether to visit a specific QSR location.

the-2018-fast-food-consumer-trends-the-qsr-industry-must-prepare-for, Shopkick.com

dessert offerings, as consumers dictate preferences in real time via online orders or mobile apps. Meanwhile, families, friends and co-workers still seek a consensus in determining a single source for their group orders. Restaurants need to respond proactively by providing an easily accessible and user-friendly off-site menu that offers a wider selection (including meatless and gluten-free options), plus a seamless payment and delivery experience.

KNOWLEDGE IS STILL THE POWER

Without question, efficient staffing and managing of food & beverage inventories often determine bottom-line profit. But it's consumer-behavior data that enhances such efficiencies. Keeping track of overall order activity (and knowing the preferences of individual customers) gives you amazing control in initiating new business opportunities, and creating customized one-to-one offers.

To be most effective, a proprietary app sets your business apart from other consumer choices. This requires added

snacking trends



consumers are more likely now than in 2016 to replace 1 or 2 meals per day with snacks



in the quick-service restaurant (QSR) space continues to grow, and plenty of chains are leveraging this trend.

An analysis by Coca-Cola, using its own data from market research firm NPD Group's CREST information service, finds that snacks account for 19% of total food service occasions. Further, 81% of consumers surveyed have purchased a snack at a QSR, more than any other away-from-home category.

Recently released research from Technomic reiterates these findings. The "2018 Snacking Occasion Consumer Trend Report" reveals that consumers are more likely now than in 2016 to replace one or two meals per day with snacks.



Time pressed consumers continue to act upon their needs to eat conveniently and at any time. "Snacking" is now an \$89 billion category in the grocery space growing at a 3% clip.

Datassential estimates that consumers eat about **four to five snacks a day** now, and snacking



golden state foods
FOUNDATION



UPDATE



We have had a busy year so far with a lot of successful volunteer time. KanPak, KS was the facility with the most volunteer hours in Quarter 1, and the top large facility (200+ associates) in Quarter 2 for all of the Golden State Foods Foundation sites. Our Foundation Chair Crystal Hunt was the associate with the most volunteer hours across GSF nationwide in Quarter 1. We have volunteered every month for the **Ronald McDonald house** and there have been two opportunities to volunteer at the **Kansas Food Bank** as well.

We held our **annual Bike Event** in May, where we purchased 26 bikes and one special trike for children in our community in need. We invited the children and their families to our event where we did a cookout and the children were able to assist in building their bike with one of our employee volunteers. We had **33 total volunteers** for the event including help from the **Arkansas City Fire and Police Departments** and the **owner of a local**

bike shop, Spokes and Things. We also had the assistance from our local Department for Children and Family Services to locate children in need of bicycles. The police department certified the bikes, the fire department brought a truck over and let the kids sit in the truck and shoot the water hose and Spokes and Things inspected the bikes and assisted in repairs. We also had a bounce house and games for the children and their families to enjoy. We had beautiful weather and the event was a huge success. We were able to get all of the bikes put together and given to the children. We have several upcoming events that we look forward to including continuing to volunteer at the Ronald McDonald houses in Wichita, KS once a month, our **annual Golf Tournament, No Lunch Lunch campaign** to raise awareness for child hunger in our community and our partnership for the gifts at Christmas. We look forward to the opportunities coming up to help the children in the communities where our employees live and work.

KanPak
a golden state foods company

Call or email today and find out how KanPak can help drive your beverage and dessert business and profitability!

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