



January 27, 2023

To: Our Valued Customers

From: Michael Foods

RE: Pasteurized Shell Egg (PSE) Allocation Notice

As communicated in mid-December, one of the farms responsible for producing eggs used in the inline processing of our Pasteurized Shell Egg (PSE) products was impacted by Highly Pathogenic Avian Influenza (HPAI). This is important to note because it not only affects our egg supply for the category, but also our production network.

At the same time, the egg industry saw conventional shell egg markets reach historical highs, pushing shell egg prices well above our value-added PSE portfolio. The unique combination of this scenario has created a drastic increase in demand at a time when both our production capabilities and egg supply are limited.

As a result, we will be allocating shipments of all PSE products against the forecasted demand from now through this coming June to ensure a fair and equitable distribution of available product. Please note, that we will be using the forecasted demand that was set prior to the surge in orders we began seeing in October due to the ongoing AI events and high shell egg markets. While we understand that allocations are extremely frustrating, this methodology allows us to jointly service historical customers. Unfortunately, however, it does not allow us to cover incremental demand created by this extremely unique set of circumstances.

Impacted Items		
MFI Item Number	SUPC	Description
14616-42420-00	7152070	15 DZ, CCF LG LS IN SHELL PAST, ABF
46025-41420-00	7152097	15 DZ, LG LS IN SHELL PAST EGG, PAPETTI
46025-41430-00	7152067	15 DZ, MED LS IN SHELL PAST EGG, PAPETTI
91038-27499-00	7028094	1/15 DZ, LG LS IN SHELL PAST HFACCF, ABF

In addition to the planned allocations to service our historical business, we are working closely with our distribution partners to ensure proper allocation of supply across their respective distribution center network.

If you have any other questions, please contact your Michael Foods Sales or Customer Service Representative.

Thank you for your business and your continued support of Michael Foods as we navigate through this challenging time together.