

The Supply Chain & Retailers.

Gabriela D'Arrigo, our VP of Marketing & Communications shares her thoughts on the ongoing supply chain crisis. Get her take on how it's impacting the produce industry right now.

How are supply chain issues impacting D'Arrigo New York?

Fortunately, the produce industry was not impacted as significantly as other industries when it came to the supply chain lag. We are just starting to see the effects. Domestic product gets held up with the lack of labor, specifically drivers, which interferes with markets across the board. International imports are getting caught at ports and there is a major delay in getting the products on board off. Ultimately, this decreases our inventory which then impacts the pricing of items for our customers.

What do you see as the biggest obstacle right now for retailers?

Labor, freight, accessibility to play the market and not have to be committed to contracts.

How are big box vs. independent retailers handling supply chain issues?

It seems that most big box stores are committed to contracts with their suppliers. This can hurt or help them depending on the flexibility of the agreement. The smaller independents have the opportunity to utilize their local wholesale markets to help with costs as well as product availability. They have the freedom to "shop the market" to keep their shelves stocked as well as find a price point that works for them.

A longtime customer of D'Arrigo New York, Giunta Meat Farms is a prime example as to why the wholesale market and companies like D'Arrigo have been essential and necessary during times of uncertainty. John Levantino, says "I am in a position where I know where every single penny is spent so I know I'm able to pay my bills and what I can afford to buy to keep my store full. Never at any point so far have my stores not been able to supply my customers."

When speaking with John, he talked about how the experience in the industry and his segment of the business is a huge reason as to why he has maintained his success and grown the business. "Experience is the education in produce. I've been doing this since I was a kid. My first time going to the market, I was 6 years old." The relationships he has cultivated over the years is a key ingredient to his success as well. He knows who he can go to for anything and everything he offers in his stores. With independents, the owner is spending their own money. Of course they know where every penny is spent.

What have you changed internally to handle the supply chain?

Consolidating transportation more than ever before. Working smarter, not harder, has been the name of the game.

On the retail side, retailers are doing whatever they can to not only attract labor but to develop and retain individuals as well. Another big change I have seen in the retail space is the amount of production that has been brought in-house. For example, Giunta's is using all the perishable items in their deli's as well as creating value-added packs in house to reduce shrink and keep product moving.

How is this impacting food pantries and non-profit organizations?

Sourcing has become more competitive for a lot of these organizations. As product becomes more scarce, companies like D'Arrigo New York don't have the ability to donate in the same fashion we used to. Prioritizing our customers that help pay the bills along with making sure that food can get to those in need becomes a more calculated balancing act. Many of these organizations have created purchasing departments to help offset their inability to source excess product from the suppliers.