

How Supply Chain Disruptions Are Affecting Philly's Food Industry

The pandemic has impacted all areas of modern life — Philly's favorite markets prepare for a winter with more difficulties

by Kae Lani Palmisano | Dec 21, 2021, 10:28am EST



Vincent Finazzo of Riverwards Produce | Riverwards Produce

Every year, monarch butterflies flutter from the east coast of North America down to the Sierra Madre mountains of Mexico, pollinating countless plant species along their migratory path. But if a hot, dry summer kills the native plants the monarch butterflies rely on during their roughly 2,500-mile journey, they won't be able to pollinate many of the foods we and other animals need — creating an ecological

butterfly effect where one small change disrupts an entire system. Global supply chains behave similarly, and, just like ecosystems, supply chains are fragile.

There have been a lot of discussions about supply chains over the course of the pandemic, and in recent months, the media has emphasized that people should expect delays, disruptions, and higher prices when shopping for everything, including holiday gifts and foods.

But when it comes to stocking your pantry, the issues in the supply chain don't typically mean there's a lack of food. "It's less about food production and more about material shortages," says Vincent Finazzo, founder and owner of Riverwards Produce in Fishtown. Companies are having trouble getting their hands on things like glass bottles, metal cans, paper bags, and other materials they need to package their goods and get them out on shelves.

Very specific, random pieces of materials like a certain size of plastic lid to go with matching coffee cups, the metal pull tab on the top of a can of soup, or the nozzle that dispenses whipped cream are all experiencing stalled arrivals to food businesses and causing headaches throughout the industry.

So what is causing these shortages? A mix of delayed shipping containers, limited storage capacity, not enough trucks, and a reduced number of workers in these sectors are all contributing to bottlenecks in the supply chain. Those glass bottles, paper bags, and whipped cream can nozzles are likely in a shipping container either still out at sea or sitting at the ports. If you drive eastbound on the Walt Whitman Bridge, you'll see a crowded Packer Avenue Marine Terminal Port with containers stacked five high.

"All of our distributors are experiencing shortages," says Finazzo. One of Riverwards's largest distributors has only been able to deliver 75 percent of what is ordered, and the 25 percent that's missing is a mystery until the order arrives. "It's unpredictable," he says. "So sometimes we'll go a whole week without getting a certain variety of canned beans or something."

In Adams County, Pennsylvania, Three Springs Fruit Farm, the producer of Ploughman Cider, is dealing with these material shortages on multiple fronts. On the market and wholesale delivery side of the business, the company is having trouble getting the wooden crates used for fruit deliveries. "Although we do charge a deposit on crates, they often do not come back. So we budget for that, knowing that we're going to lose a percentage of crates every year," says Ben Wenk, the seventh-generation co-owner and co-manager of Three Springs. "The only thing is, this year we went to buy new crates and the demand was more than the crate producers could keep up with, and the price of lumber made the cost of doing business much higher."

The farm's cider-making business is also feeling the ripple effects of these supply chain shortages. Three Springs' glass bottle supplier recently told the farm that it won't be able to get the glass bottles from Germany that Three Springs normally uses for Ploughman cider. "We're using a fairly generic bottle that we thought we could rely on having access to," says Wenk.

Switching up to a slightly different bottle may not seem like a big deal, but an entire sequence of events gets triggered when one thing in production changes. Wenk and his team have to make sure that the labels still fit on these new bottles. If they don't, the team has to go through the work of redesigning the labels and making sure the printer has the right size die-cut for the newly designed label. And if the printer has to create a new special die, Three Springs may incur significant unexpected costs.

"It's very frustrating. The first lesson I ever learned about the beverage industry is that the package is the product," says Wenk. "Your package has to speak for you and inform customers, so nailing that package is such an important thing."

The longer these delays persist, the more expensive it's becoming for businesses as higher prices for materials, shipping, and storage fees trickle down the supply chain. For the most part, the food industry is adapting the best it can to cushion consumers from these inconveniences and increased costs.



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When Finazzo can't get his hands on one kind of canned beans, he pivots to another supplier that has them in stock. Riverwards's model of focusing on local producers and food purveyors, and not locking into strict contracts or large-volume buys, allows Finazzo's team to be nimble and respond in real time to customer needs and distributor availability. "I was always trying to circumvent the system," says Finazzo, whose mission was to rely on independent farmers and local producers instead of large, commercial suppliers to stock Riverwards's shelves. "It was always to make a statement about being a local business, not to circumvent the supply chain issues. But that's exactly what's happened."

The current shortages do point out a glaring issue with the global supply chain: The longer the chain, the more chances there are for one or more of the links to break, disrupting the entire process. It doesn't necessarily mean that a shorter supply chain is infallible, but it does mean it's easier to adapt when problems do arise. "As much as we're a local market, we are in a global economy," says Finazzo. Though we can establish relationships with local makers, some components they need for production — like Ploughman's glass bottles — might still come from overseas.

With the winter holidays coming up, Finazzo is strategizing how his team will get customers the ingredients they need to make those traditional meals. Thanks to his tight relationships with local farmers, produce won't be a problem, but if some staples don't get to your table this year he says don't be afraid to bend the rules and try something different.

"We're going to do our best through the holidays to offer preorders with a bunch of local vendors. So you can come by Riverwards and get a local hard cider and fresh oysters from Sweet Amalia," says Finazzo. Leading up to the holiday, Riverwards is hosting a series of pop-up events featuring local favorites such as Sugar Rush Macaron Co., Amy's Pastelillos, Triple Bottom Brewing, Love City Brewing, and of course, a double-hitter event with Sweet Amalia oysters and Ploughman's cider. "You're still going to have a badass holiday, you just might not be able to get some of the things that you're used to," says Finazzo. "But that should inspire the creative chef in all of us." ■

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