



Batory's Efforts to Minimize Impact of Driver Shortage

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OVERVIEW

As many of you know, the nation is in the midst of a truck driver shortage. Although the issue is national in scope, we believe every delivery is personal. As such, we pledge to stand by your side and work through every complication, including those based on factors beyond our control.

In this newsletter, we present an overview of the problem and Batory's diligent efforts to address it.

THE FACTS ACCORDING TO THE AMERICAN TRUCKING ASSOCIATIONS (ATA)

- The industry is short about 35,000 truck drivers.
- The shortfall could grow to around 240,000 drivers by 2020 if left unaddressed.
- Ninety percent of carriers couldn't find enough drivers who met DOT criteria in 2014.
- Reduced driver capacity escalates freight cost and challenges timely delivery.

WHY DRIVERS ARE BEING...DRIVEN AWAY

Turnover rates are above 90 percent for nine consecutive quarters, according to ATA. What's "driving" people away? A few pressing factors:

- Trucking has never been easy. But historically, it brought home a living wage. Today, restrictions like Federal limits on hours have slashed wages. Simply put: The sacrifices in quality of life no longer pay.
- As the average driver (age 55) retires, recruitment packages are not enticing enough new drivers.
- Truckers often carry the burden of others' inefficiencies. For instance, some shippers disregard driver schedules. When drivers arrive many hours late as a result of long load times,

their earnings take a hit. Many drivers opt not to work with shippers/receivers known for long load/unload times.

- Lack of respect has eroded morale. Too few shippers offer basic necessities, like clean bathrooms, let alone safe harbors to park and wait.

WHAT BATORY IS DOING

The industry is working to improve driver rights. But we're not waiting around. We tirelessly do our part:

- Our locations make every attempt to offer drivers clean restrooms, comfort facilities and safe places to wait, rest and park.
- We are bullish about operational efficiency, thereby protecting delivery times. For instance:
 - We respect loading/unloading schedules and use space strategically. In one location, we increased doors from 12 to 54. We can therefore pre-load drop trailers and keep cargo moving.
 - The majority of carriers we work with utilize "relaying." Why it's important:
 - In relaying, local drivers work within cities, delivering at local drop yards. Line-haul drivers pick up those loads without long waits. This keeps them on the road and earning by "running long."
 - When a delay is inevitable because of factors beyond our control, we stay in communication with you, eliminating surprises and devising smart workarounds wherever possible.

As a sales team, we join forces with Batory's Logistics Department to think through solutions and ensure that the process of working through this shortage is smooth.

Please call or email to discuss any matter pertaining to the driver shortage. At Batory Foods, we are, as ever, at your service.

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