

Labor, supply shortages hit Northwest eateries

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The Oregonian

Burgerville has spent months trying to navigate pandemic-induced shipping delays, product shortages and rising food costs while trying to keep its 40 restaurants open with minimal disruptions.

But things came to a head last month when the Vancouver, Washington, based fast food chain learned one of its main distributors didn't have the staff to package or deliver a big shipment. Burgerville sent its own workers with trucks to fill with fries, but even collecting those boxes took hours. Ultimately, managers realized Burgerville wouldn't have enough burgers, fries and other menu items to serve all its customers.

The extraordinary shortage prompted Burgerville to temporarily shut down five restaurants — one in Tigard and two each in Portland and Vancouver. Four of the restaurants reopened after about five days. The company has cut two operating hours a day at all of its locations.

The company also temporarily closed a separate location in southeast Portland earlier this month for what it described as unrelated concerns about crime nearby.

"We're seeing disruptions on everything on our menu," said Kati Reardon, Burgerville's chief operating officer. "You might have enough of a food product, but you don't have the packaging to go with it or you have the packaging but you're getting delays in your fry delivery. What's really challenging is just how week-to-week you don't know where the disruptions are going to be."

Supply-chain disruptions and product shortages have challenged businesses throughout the pandemic — from local bikes shops in Portland struggling to keep up with unprecedented demand to computer chip shortages forcing Toyota to slash global production.

Pandemic-related closures, heightened demand and complications with importing products from abroad have contributed to the shortages. In addition, labor shortages have hit not only local retailers, restaurants and hotels but also the manufacturing facilities, warehouses and delivery companies that local businesses rely on to source their products.

That is presenting yet another hurdle for restaurants and other local businesses that have already struggled to navigate pandemic shutdowns and restrictions over the last year and a half.

Greg Astley, director of government affairs at the Oregon Restaurant & Lodging Association, said the vast majority of restaurant owners are navigating some sort of supply-chain issue or labor shortage. He said the



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tight market has led to skyrocketing prices for meat and other products, forcing some restaurants to rethink their menus either temporarily or permanently.

"Once again, restaurants are having to be very innovative and creative when they are creating their menus or when they're figuring out how to run their business," Astley said. "It's really the uncertainty that creates the most anxiety for operators, whether it's about the pandemic restrictions or about whether they are going to get the product they need to serve their customers."

Sysco, the largest wholesale food distributor in North America, has had to turn away customers in parts of the country where labor shortages have led to demand exceeding capacity, Bloomberg reported.

Heather Hobson, an account manager at WCP Solutions, a wholesale provider of food supplies and other items, said she has never seen shortages impacting such a wide variety of products in her 25 years in the business.

Widespread pandemic-related shutdowns depleted stockpiles and delayed production last year, and their effects still linger. But now, with rebounding consumer demand and a shortage of workers, manufacturers are

consistently struggling to keep up. Hobson said she works with a national disposable bag manufacturer whose California plant has less than a third of its usual staff.

Claire Randall, the CEO of Grand Central Bakery, which has 11 stores and two wholesale bakeries in the Portland and Seattle areas, said the company had to look for a new supplier that met its ethical standards when it had trouble getting pork earlier this year and has had to change its menu when other ingredients haven't been available.

"We have a little bit of a more limited menu, but it's reliable, and we know we have the ingredients to make those menu items," Randall said.

The company has resorted to selling cold beverages in paper coffee cups and switched to unbranded paper bags because of a shortage of to-go containers.

While Grand Central has managed to pivot amid supply-chain issues, the company has been harder hit by the ongoing staff shortages.

Randall said every one of its departments is understaffed by at least one or two positions, which has been hard on employees. She said every bakery will close for at least a few days in September to give employees

a break and managers time to train new staff.

"It's an important message for everyone that we're not going to operate beyond what we can reasonably do," Randall said. "I've let the department managers make decisions about what's reasonable, how can we operate safely and how can we take care of our employees during this tough time. I would rather lose some sales right now in order to build future resilience."

Staffing shortages are impacting companies throughout the food industry. Insider reported Tuesday that a McDonald's in Medford is trying to fill the gap by advertising jobs to 14- and 15-year-olds.

Burgerville has been able to navigate staffing shortages because it is mostly operating as a drive-thru. Reardon said the company would need to hire about 25% more staff than it has now to fully reopen its dining rooms.

But the supply issues continue. Reardon said Burgerville may have to tweak its menu, or even consider temporarily shutting down some locations again.

"We want our guests to know that we're doing everything we possibly can to meet their needs, but sometimes it won't be in the way we could 18 months ago," Reardon said.

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With more than 60,000 individuals visiting Seaside for The Hood and Portland To Coast Relays, this visit represents a first impression to a captive audience that very often leads to future visits for these individuals and their families. This is an economic impact that goes beyond measure and one that can very often be a lifelong development of future memories in your town. Thank you Mayor Jay Barber and Chamber Executive Director Brian Owen for helping make an amazing impression!

Participants raised over \$600,000, which benefits the Providence Cancer Institute. Since 2013, participants have raised over \$5 million to help #FINISHCANCER.

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