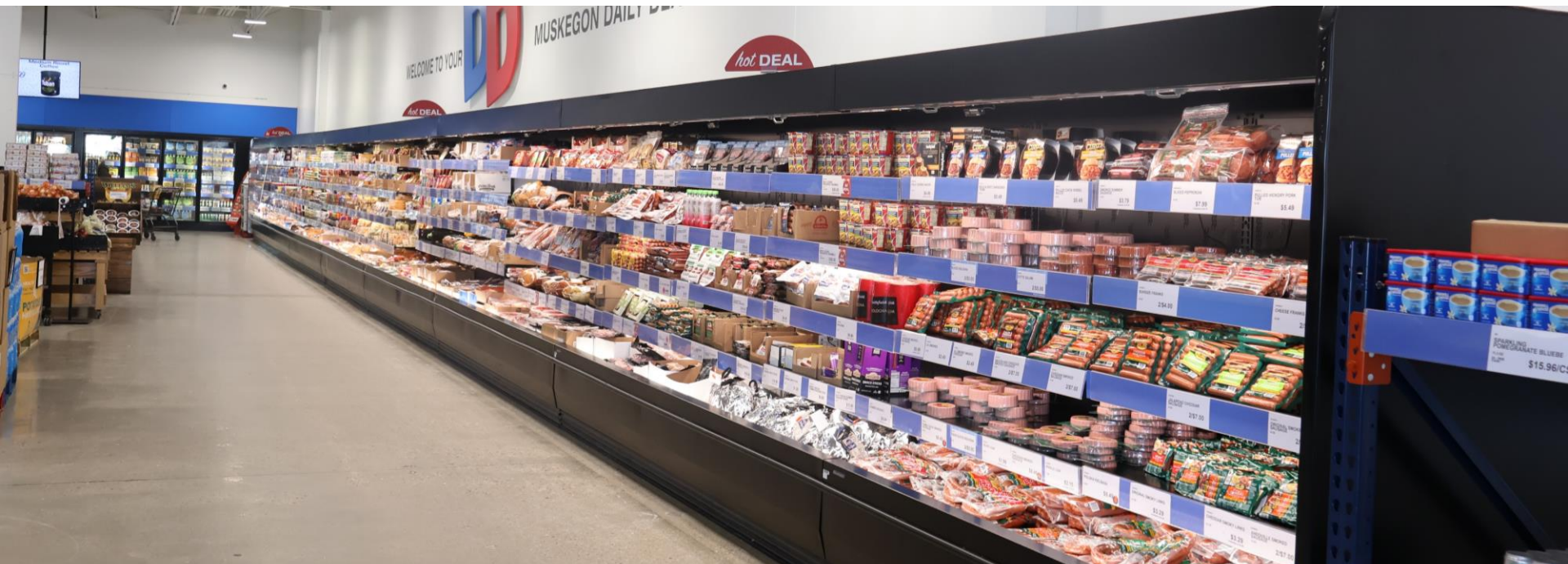


# Bending the Economic Curve

Overcoming Today's Hurdles with Smart Excess Inventory Solutions



**Mark Fleming**, CEO & President Natural Choice Foods and Daily Deals Food Outlets



- ☆ CEO, Natural Choice Foods and Daily Deals Food Outlets
- ☆ 25+ years in food manufacturing
- ☆ Experience across 30+ food categories
- ☆ Worked closely with dozens of grocers to drive sales & margin

# Introduction: Natural Choice Foods

---



- ✧ Family-owned wholesaler / retailer of excess food inventory
- ✧ 175K Sq Ft Facility - Ambient / Refrigerated / Frozen storage
  - ✧ 6 repackaging lines
  - ✧ 1500+ SKUs on-site
- ✧ 5 retail stores
- ✧ 300 employees, fleet of 18 trucks
- ✧ Serving hundreds of retail & wholesale customers across the U.S.



# What We Will Cover Today

---

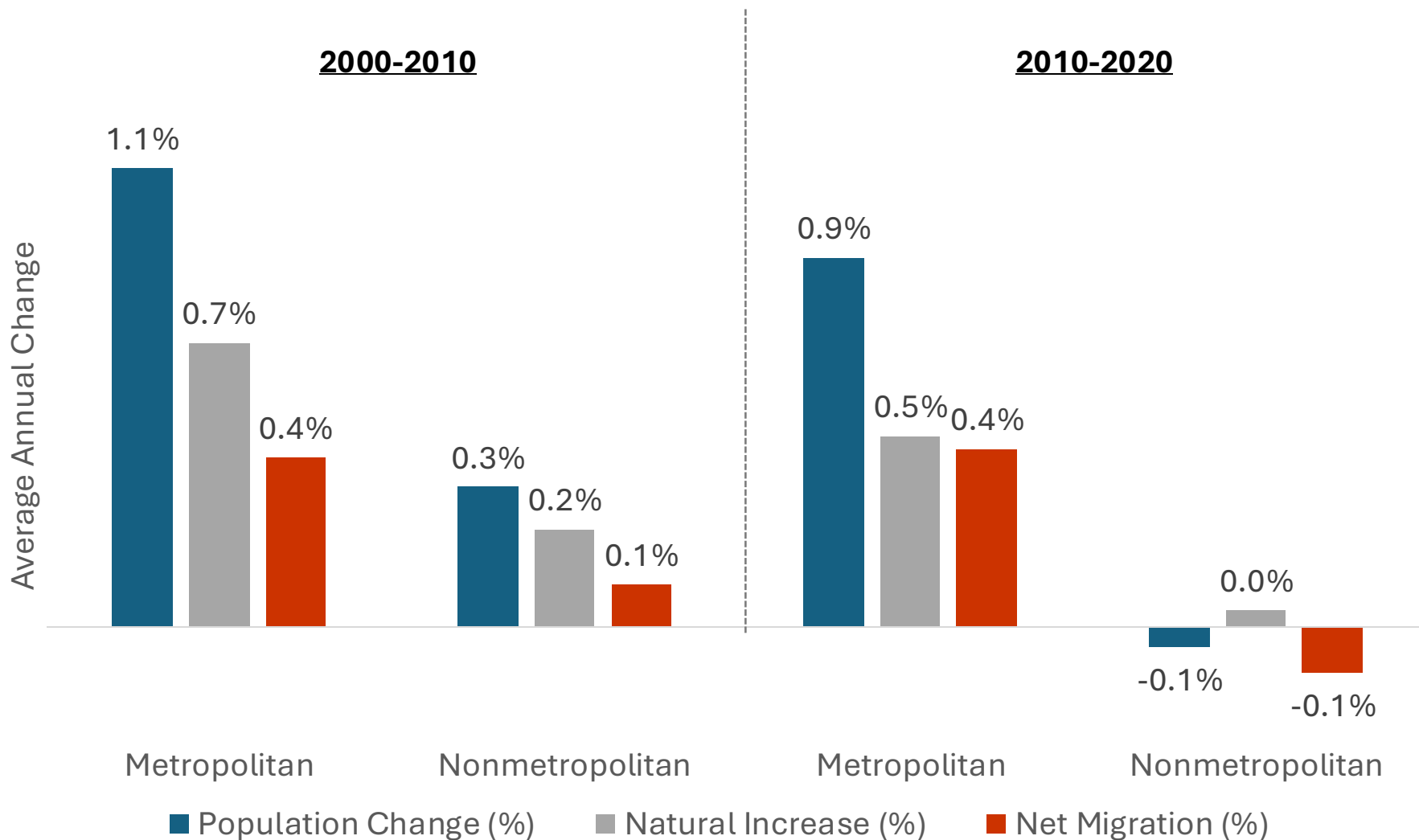
- ☆ Industry Challenges
- ☆ Retailer Needs
- ☆ Excess Inventory
- ☆ Lessons Learned from Daily Deals
- ☆ Natural Choice Foods Overview
- ☆ Questions

# Retailers Are Getting Squeezed

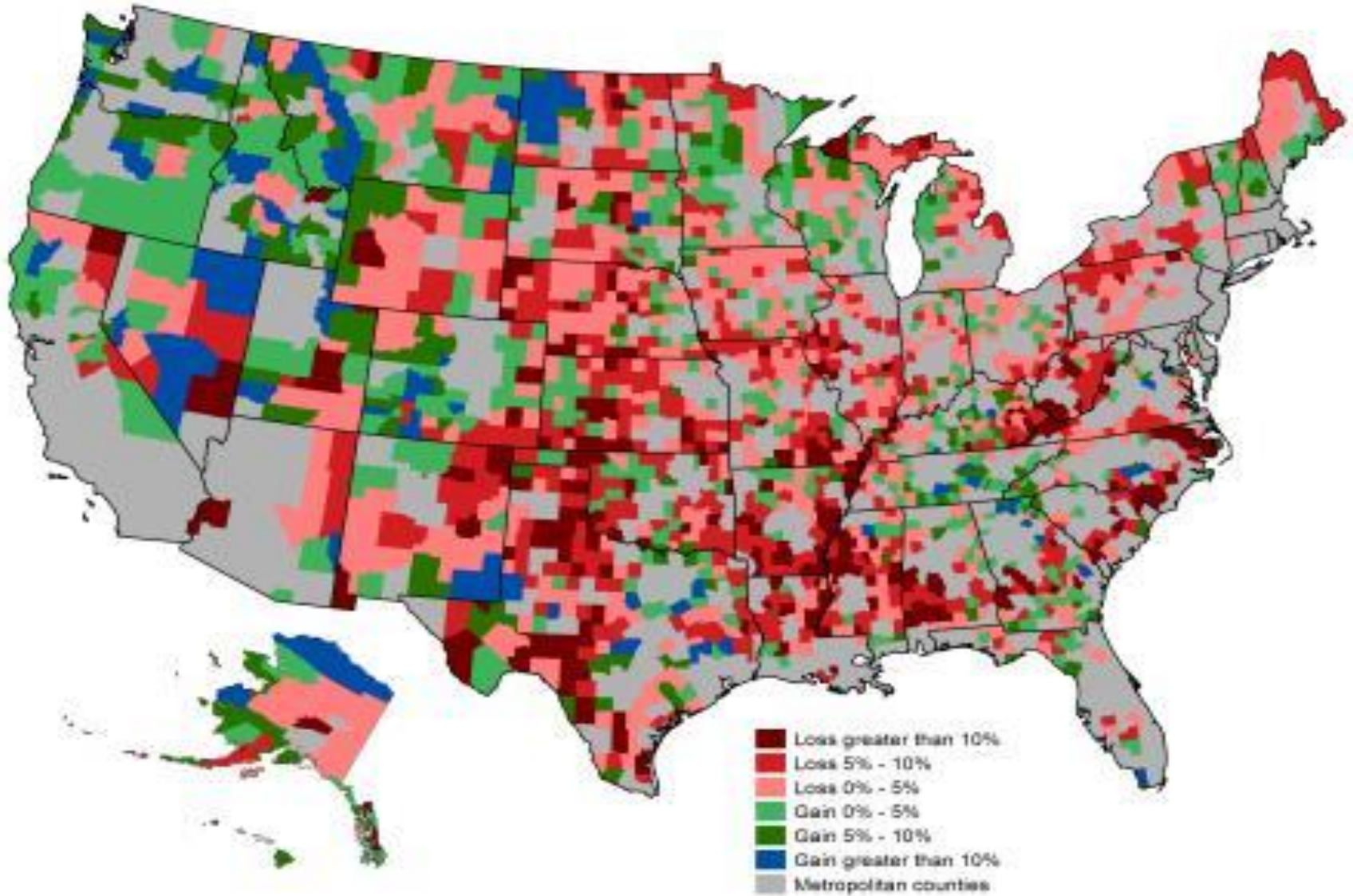
- 1 Challenging Demographic Trends
- 2 Growing Competition
- 3 Operational Inflation
- 4 Struggling Consumer



# 1 Demographics: Shrinking Populations

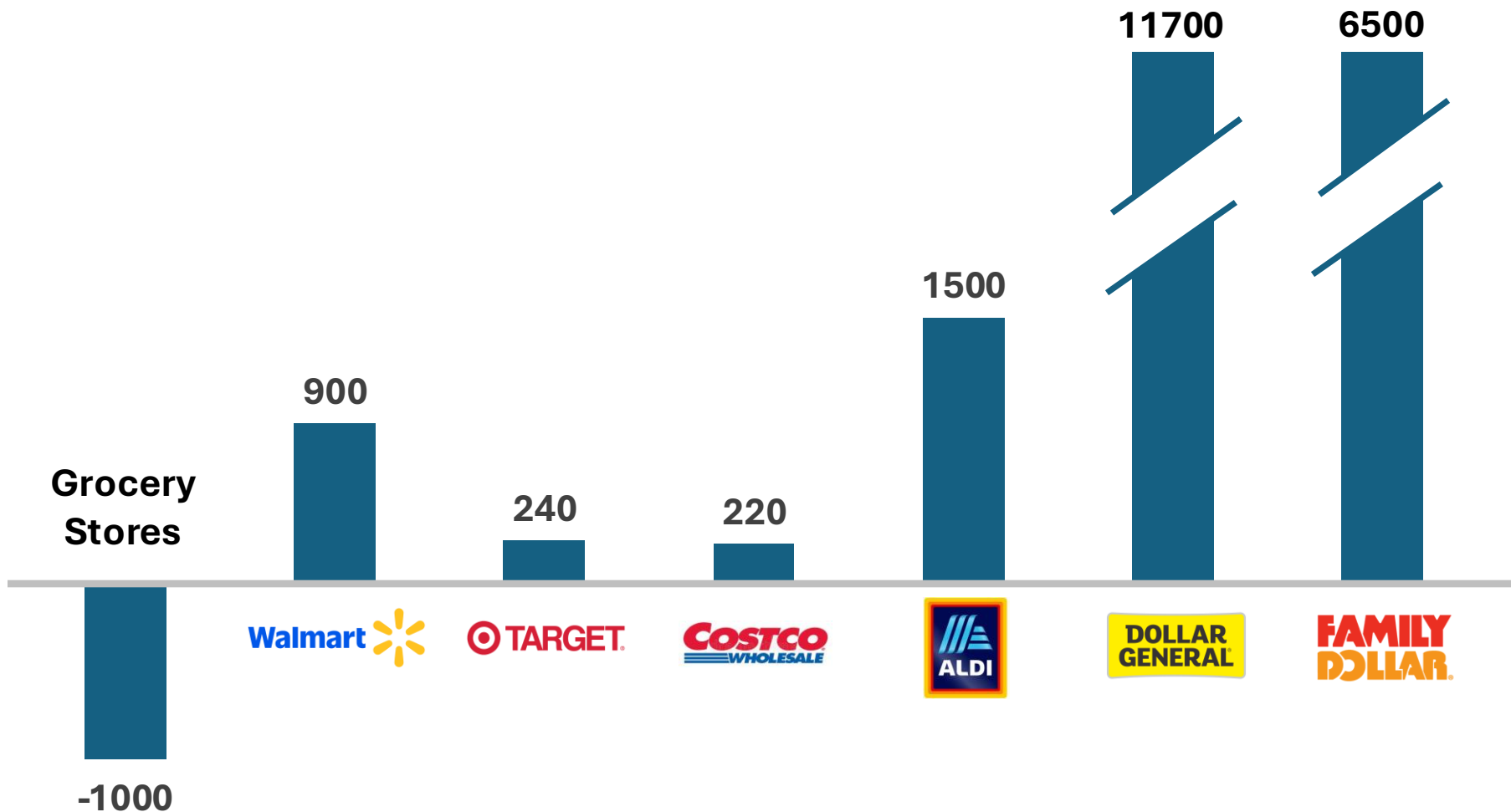


2020 vs 2010



## 2 Competition

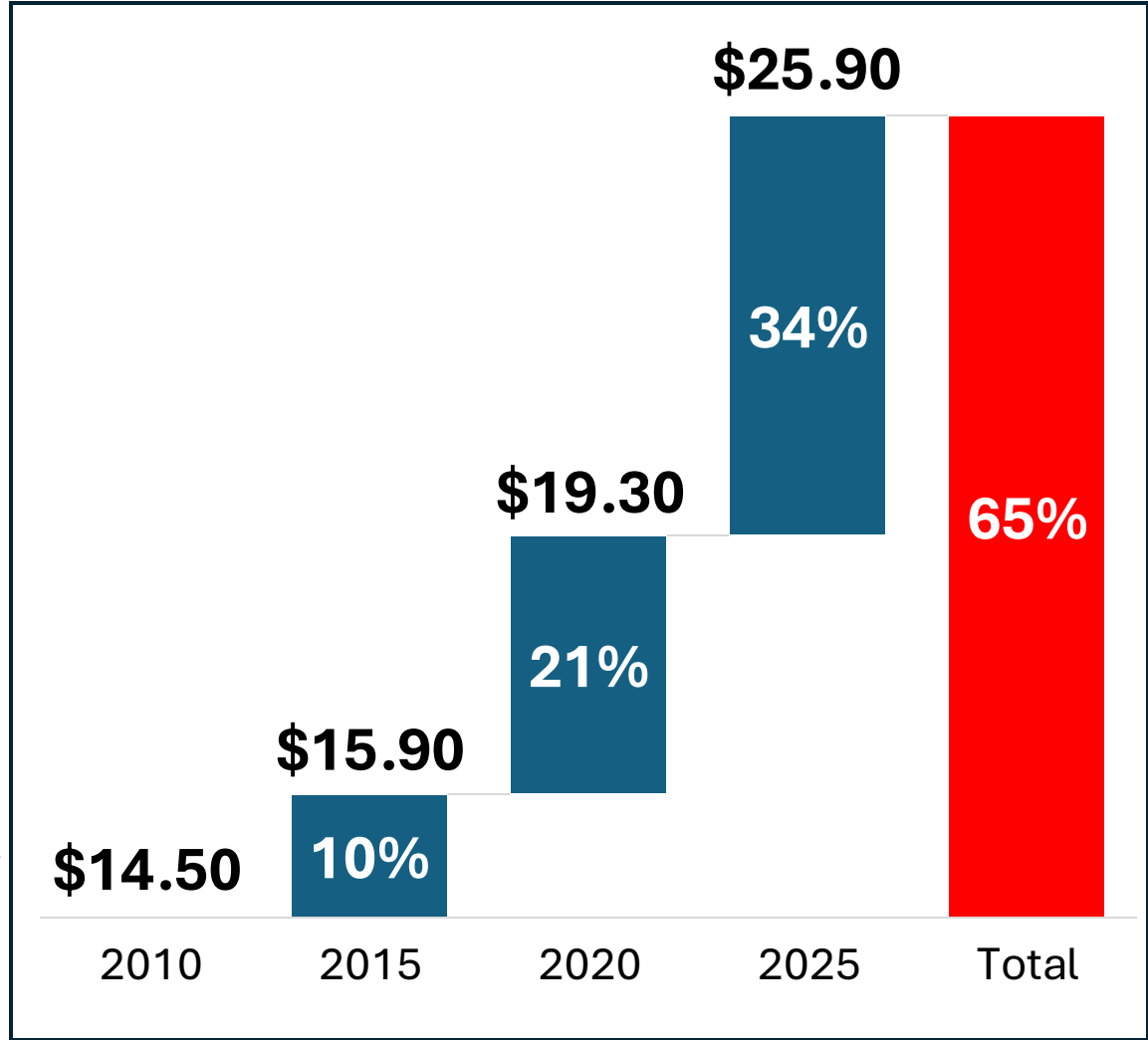
### Store Count Changes 2010-2025



Source: Company 10-K filings and SEC disclosures; FMI Food Industry Facts; ScrapeHero and Statista Location datasets. Store counts represent estimates for strategic analysis purposes (2010-2025).

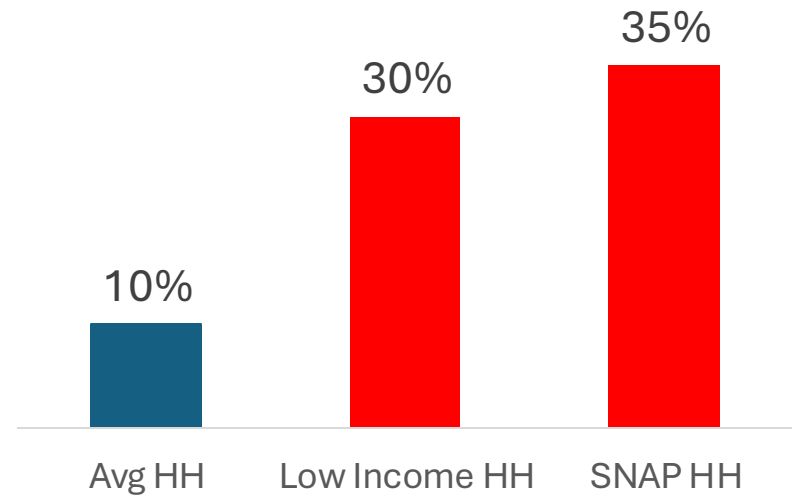
# 3 Inflation

- ✓ **Food Costs**
- ✓ **Store costs**
  - Energy
  - Sanitation
- ✓ **Logistics Costs**
  - Fees
  - Freight
- ✓ **Wages** →



Source: U.S. BLS – Average Hourly Earnings of All Employees, Retail Trade (CES420000003).

- Post pandemic food prices +24% ... wages +21% (Jan 2021-Dec 2025)
- Growing share of HH budgets
  - \$170 / week
  - ~10% of disposable income
  - #3 HH spending category
- Greater poverty rates
  - 15.5% in Rural markets
  - 12.1% in Urban markets
- SNAP participation is >12%
  - ~\$6 / day / person
- Food insecurity: 13.5% of HH, with ~5% of “severe”...skipping meals or eating less



## 1) Deal seeking

- 52% are actively seeking deals or lower prices
- 20-30% of purchase are on deal

## 2) Private label acceptance

- 94% buy PL at least occasionally
- 41% are buying more PL
- \$282.8B in sales in 2025
- 21% dollar share in Grocery

## 3) Channel switching

- 90% visit >1 grocery store, avg 5 / mo
- 50%+ compare prices across retailers

CNN

Follow

### Millions of Americans are skipping meals or cutting back on utilities to afford health care

Tami Luhby, CNN

Thu, March 12, 2026 at 12:01 AM EDT  
3 min read

Add Yahoo on Google



279



### Spike in gas prices is taking food out of some Americans' mouths

The high cost



Aaron M. Sprecher/AP

Hundreds told CNN about the impact on their household finances

# To Drive Sales & Expand Margins, Grocers Must Deliver

- ✓ **Good Value**
- ✓ **Quality**
- ✓ **Variety**
- ✓ **Differentiation  
(private label)**

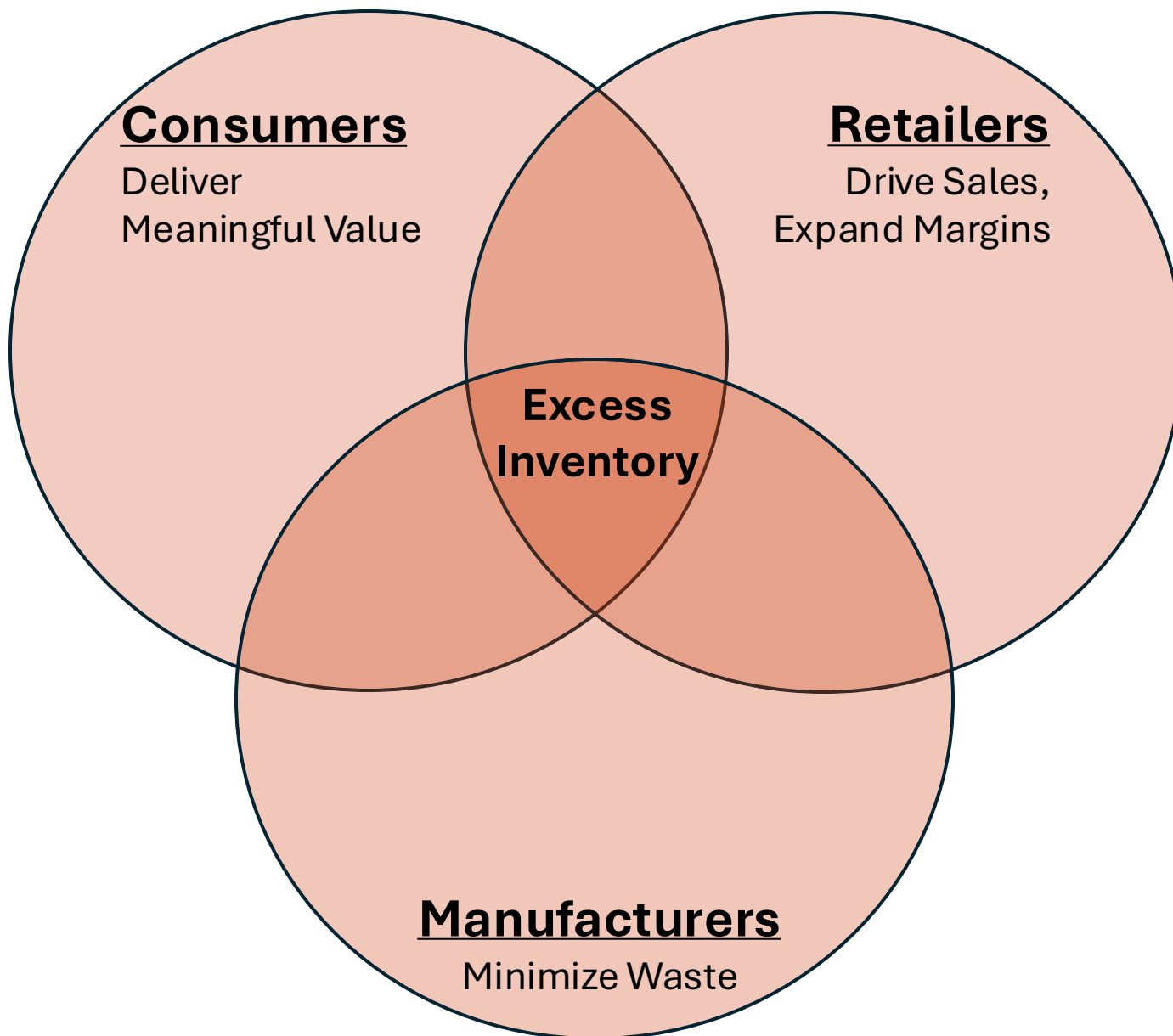


# An Intersection of Needs Creates Opportunity

---



Natural Choice  
FOODS

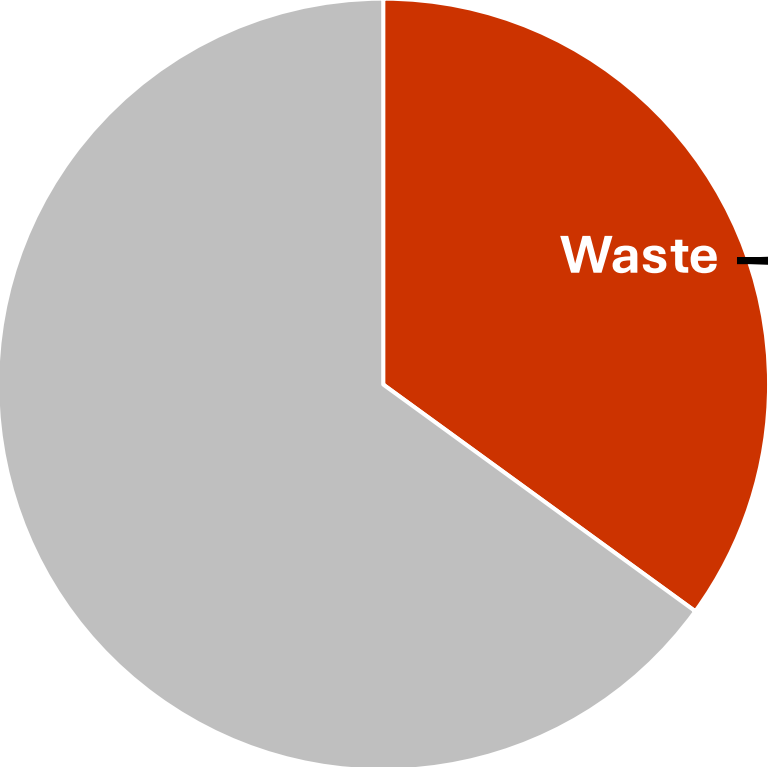


# Excess is a significant problem...and opportunity

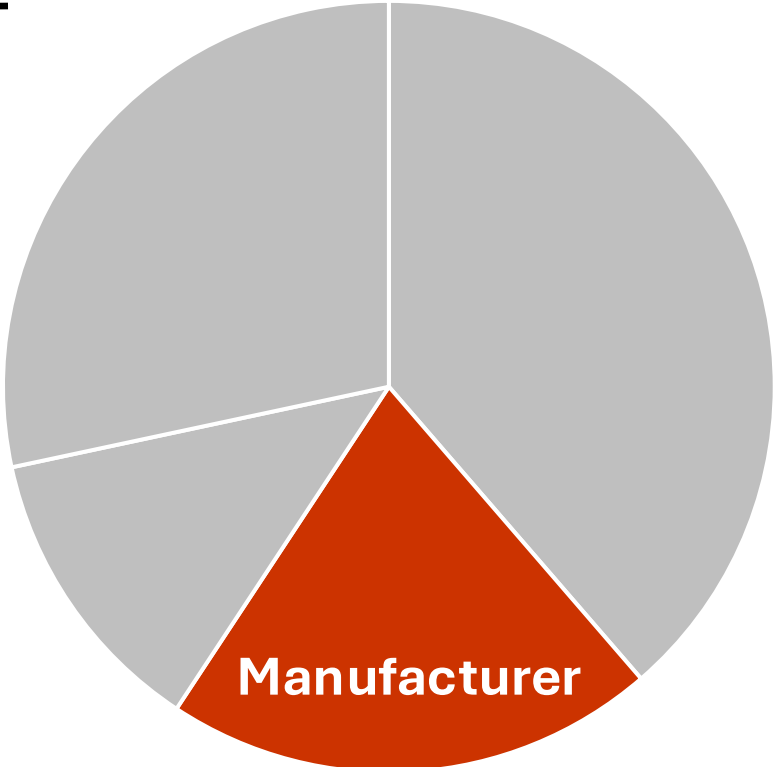


## Food Waste In the US

## Sources



**30%-40% wasted  
(133B lbs)**



**14%-23% wasted**

Sources: USDA; Coresight Research; NRDC "Wasted" Report. Derived estimates for supply chain distribution.

# What is Excess Inventory?

- **Aged / Short Dated:** Surpassed “SHIPPABLE” life – defined by retailers
- **Over-produced:** Due to production minimums or demand misalignment (eg thighs vs wings)
- **Stranded:** Due to packaging changes, product reformulations or shelving decisions
- **“Seconds”:** Off spec, but food-safe / consumer acceptable

**Branded**

**Private Label**

**Foodservice**

**Bulk**

**Components**

**WIP**

***Excess exists in every supply chain – every day!***

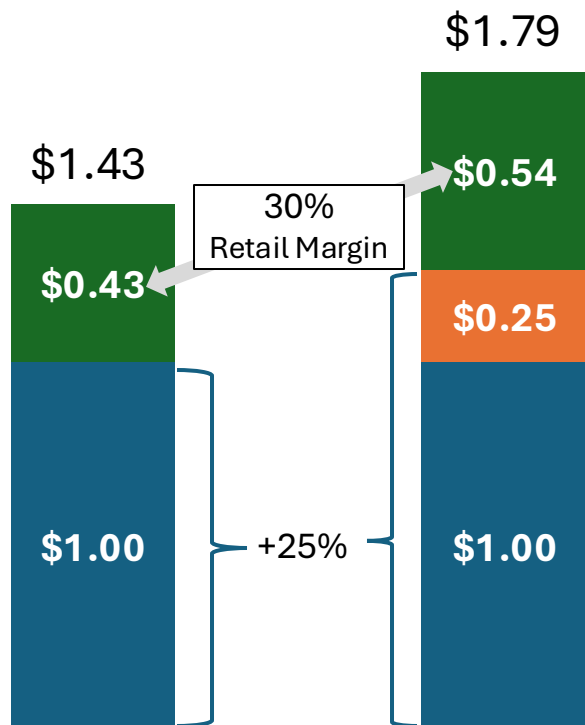
# How is Excess Inventory Created?

## “Shippable Life”...defined

Timing	Periods 1-6	Periods 7-9	Periods 10-12	Periods 13+
Key Dates	← Production Date	← At-Risk Alert	← <b>Shippable Life</b>	← Shelf Life
Life Cycle	Available for sale	Aging Product	Salvage Product	Expired Product
Pricing	Full list	Discounted	Deeply Discounted	N/A
Sold By	Manufacturer		<b>Natural Choice Foods</b>	Landfill
Customers	National / Regional / Independent Retailers		Secondary Markets	N/A

# The Opportunity of Excess

## Buying from Manufacturer

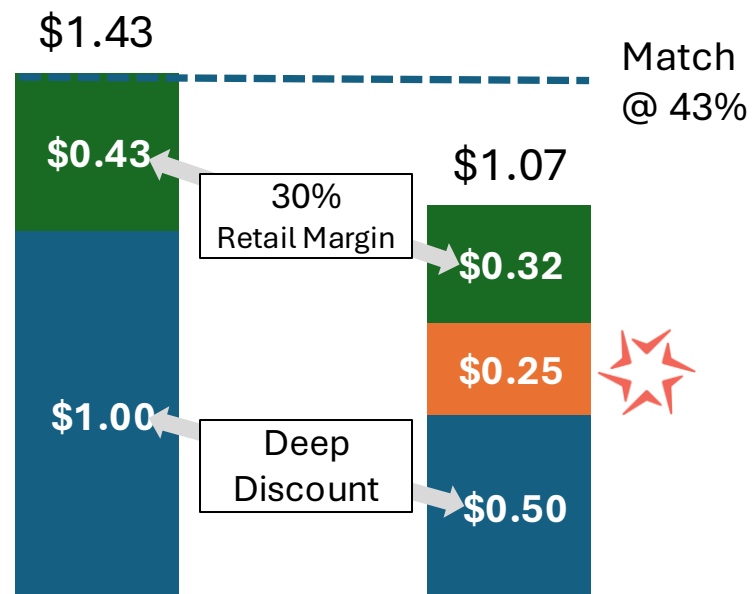


Big Box Buys from Manufacturer

Independent Buys from Distributor

■ Manufacturer Cost ■ Distributor ■ Retailer Margin

## Buying from NCF



Big Box Buys from Manufacturer

Independent Buys Excess from NCF

■ Manufacturer Cost ■ Distributor ■ Retailer Margin

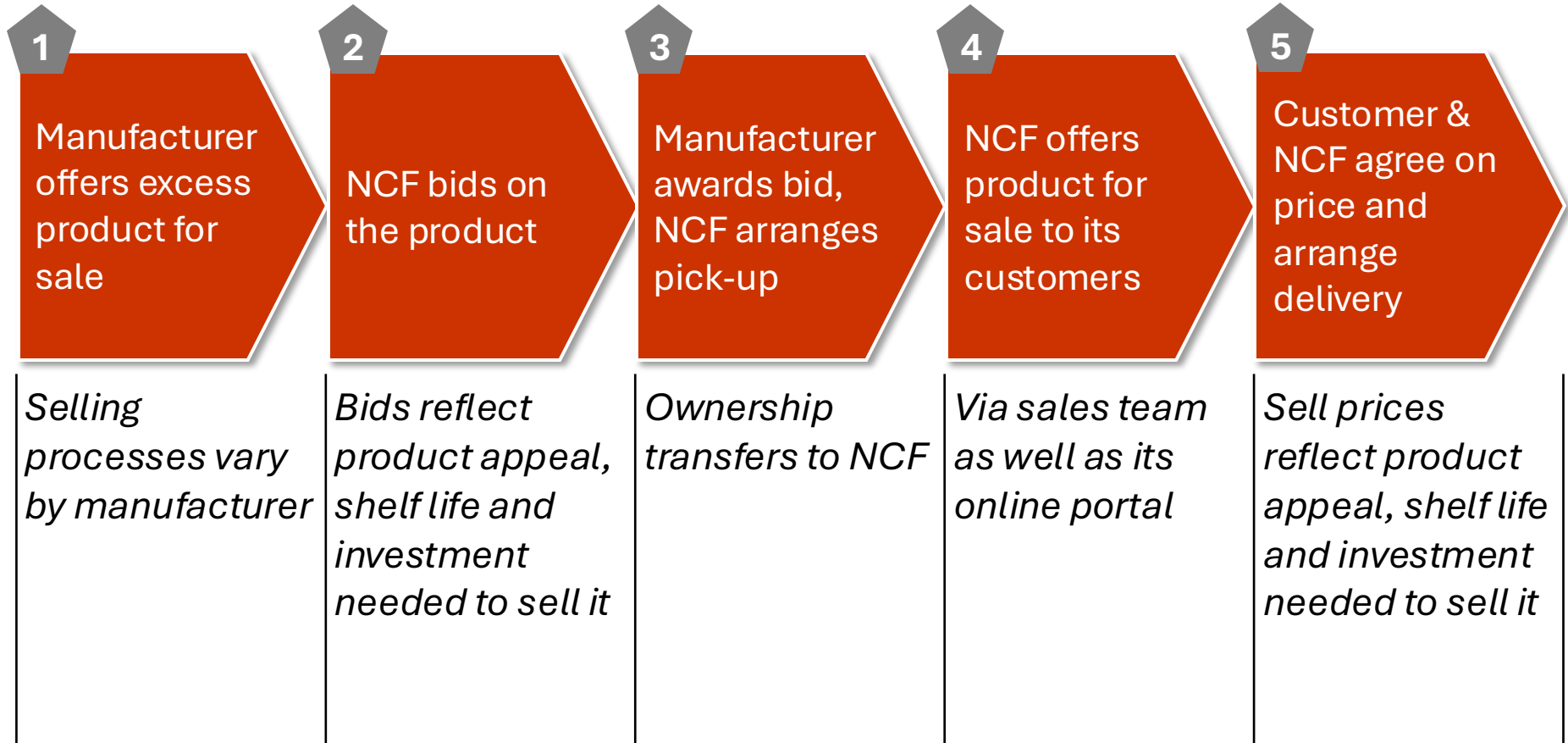
# The Opportunity of Excess

---



- ✧ Cost \$1.89/ lb.
- ✧ 3 lb. bag = \$5.67
- ✧ Retail = \$9.99
- ✧ 43% Gross Margin
- ✧ Big Box Retail \$14.99

# The Process





## Senior Retail Operations Manager



**20+ years in retail**



**Fashion retail background** —  
from Training Supervisor to  
Regional Manager



**Grocery experience** across  
key departments



**Leads operations** for all 5  
Daily Deals Outlet stores

# Daily Deals Food Outlet Stores

DD 5-store chain

✓ 7K-15K sq feet

DD 800+ SKUs / store

✓ 80% sourced from NCF

✓ Mix changes weekly

✓ Ambient, refrigerated and frozen

DD Solid metrics:

✓ 11K customers / week

✓ Sales / Sq Ft: \$500+

✓ Sales / Labor Hour: \$200+

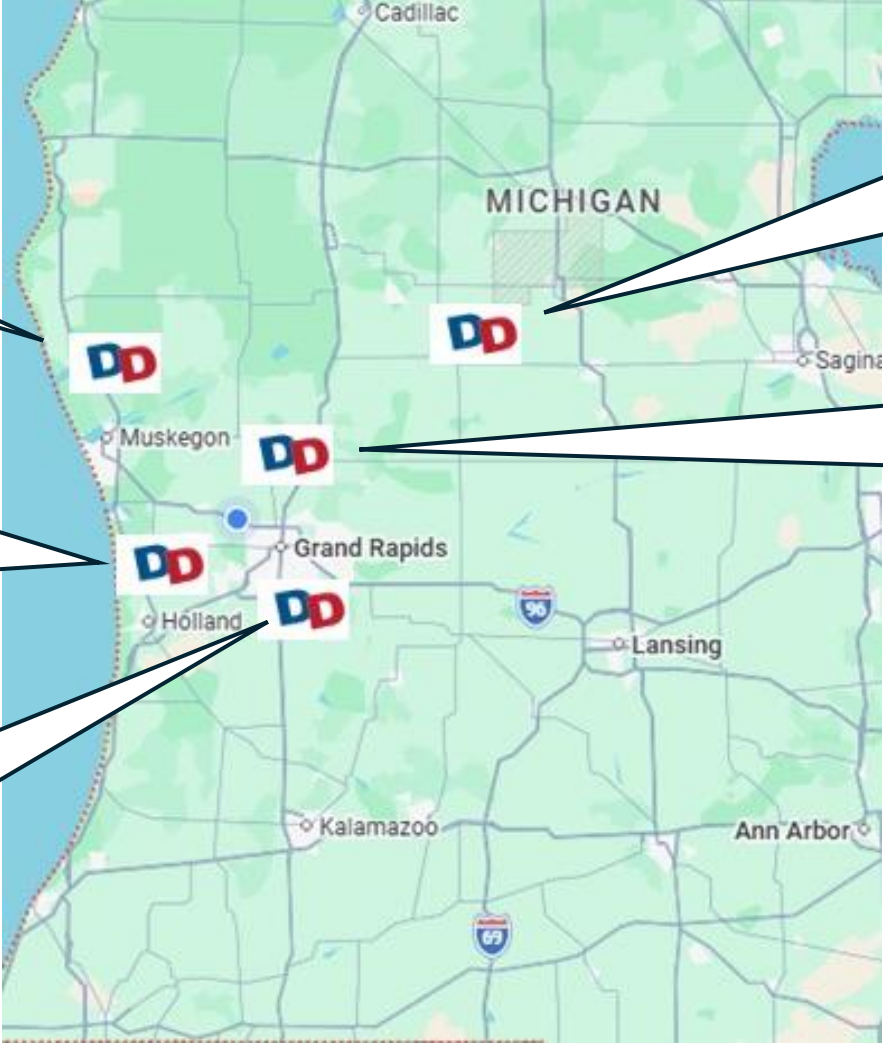
✓ Average Basket: \$35



# Highly Competitive Markets



Walmart  
sam's club  
OLLIE'S  
DOLLAR GENERAL  
ALDI



DOLLAR TREE  
ALDI  
DOLLAR GENERAL  
Walmart



DOLLAR TREE  
ALDI  
FAMILY FARE.  
DOLLAR GENERAL



Walmart  
GFS  
sam's club  
ALDI



Walmart  
ALDI

# Highly Competitive Markets



# Industry Recognized Performance

---

Ahead of What's Next  
**Progressive  
GROCER**

**THE SHELBY  
REPORT** 





















# Daily Deals Food Outlet Statistics

## Sales / Sq FT

## Sales / Labor Hour

## Basket

	\$500 – \$600		\$280 – \$380		\$60 – \$80
	\$500+		\$200+		\$55 – \$65
	\$430 – \$480		\$135 – \$155	Grocery	\$35 – \$50
Grocery	\$380 – \$450		\$120 – \$145		\$35+
	\$300 – \$360	Grocery	\$115 – \$140		\$25 – \$40
	\$200 – \$260		\$80 – \$110		\$13 – \$18
	\$170 – \$230		\$75 – \$100		\$13 – \$18

# Lessons Learned from Daily Deals

- DD Need a good selection of proteins → drives basket size, meal planning decisions & store choice
- DD Candy sells → front of store displays with multiples offers
- DD Dedicated “Last Chance” sections for product at end of shelf life
- DD Pricing is dynamic; need to reprice frequently
- DD Shoppers are sophisticated
  - ✓ Flexible with their lists
  - ✓ Understand shelf life and pricing
- DD Shoppers are responsive to deals:
  - ✓ In-store ads
  - ✓ Targeted price points, including multiples



**Unlock HUGE Savings:**

**Our Price:** \$123.03

**Competitor's Price:** \$263.80

**Save over \$140 That's more than 53% OFF!**

Item:	Ours:	Theirs:
Approx. 5 lbs of Diced Beef	\$19.95	\$44.95
Wood Fired Pepperoni Pizza	\$1.50	\$5.79
Fully Cooked Seasoned Pulled Chicken	\$5.99	\$17.99
Cinnamon Rolls	\$2.99	\$5.64
Combination Pizza Rolls	\$3.99	\$5.99
Lasagna w/ Meat Sauce	\$4.79	\$8.79
Chicken P3's	\$0.79	\$1.99
Polska Kielbasa	\$0.79	\$15.88
Mini Cream Pies	\$1.25	\$2.79
Turkey Sausage Links	\$0.79	\$4.99
Handheld Sandwiches	\$3.79	\$7.49
Cream Pies	\$9.99	\$19.99
Chicken Tenders	\$1.25	\$5.99
Coffee Pods	\$0.79	\$2.79
Chocolate Chip Cookie Dough	\$0.99	\$1.59
Hardwood Smoked Thick Sliced Bacon	\$3.79	\$7.49
8ct Burger Buns	\$9.99	\$19.99
Cream Cheese	\$4.99	\$5.99
Variety Bagels	\$7.99	\$13.99
Turkey or Ham Lunch Meat	\$7.98	\$22.99
Grilled Chicken Strips	\$1.49	\$2.99
Pumpkin Pie	\$1.69	\$2.08
Salted or Unsalted Butter Quarters	\$1.79	\$2.49
Tortilla Chips	\$2.99	\$4.99
Cherry Pie	\$4.79	\$8.99
Dill Pickle Spears	\$2.79	\$10.99
Roast Beef Lunch Meat	\$1.99	\$6.19
Mexicali Tortilla Soup	\$2.99	\$3.49
Marshmallows	\$3.49	\$6.99
	\$2.79	\$9.99
	\$5.99	\$4.79
	\$0.79	\$1.49

Prices valid November 19<sup>th</sup> - November 25<sup>th</sup> - Prices may vary

**Shop Smart. Shop Daily Deals First.**

# The NCF Difference



- ✧ **Breadth of portfolio** - 1500+ ambient, refrigerated and frozen SKUs; broad protein selection
- ✧ **Private Label** – available for manageable minimums; Daily Choice control label also available
- ✧ **Availability** – 6000+ pallet position inventory ready to ship
- ✧ **Insights** – Pricing / shelving / selection strategies validated in our stores
- ✧ **Food Safety & Quality** – Sourced from trusted manufacturers; repackaging to industry standards; robust traceability
- ✧ **Logistics** – Owned fleet of trucks and internal logistics team
- ✧ **Online Portal** – Easy to navigate; 24/7 real time visibility to inventory
- ✧ **Personal Support** – Dedicated account managers, backed by experienced CPG manufacturing and retail veterans

A screenshot of the Natural Choice Foods online portal. The page displays product information for "BAKING CHOCOLATE, WHITE" by BAKERS. The pack size is 12/4oz. Dimensions are listed as 32/10 (TI-HI), 3lbs (WEIGHT), 8.75in (LENGTH), 3.5in (HEIGHT), and 6.52in (WIDTH). There are 32 Cases per Layer and 320 Cases per Pallet. A table shows two rows of product data with columns for DATE CODE, DATE, AREA, AVAILABLE, QUANTITY, CASES SELECTED, UNIT, and LOT TOTAL. The total price is \$0.00, and there is an "Add to Order" button.

DATE CODE	DATE	AREA	AVAILABLE	QUANTITY	CASES SELECTED	UNIT	LOT TOTAL
Use By	12/10/2025	D	62 Cases	0 Layers 1 available	0	Layers at \$0.99 each unit	\$0.00
Use By	12/10/2025	D	284 Cases	0 Layers 8 available	0	Layers at \$0.99 each unit	\$0.00

# Questions and Thank You

---

**Mark  
Fleming**



Mfleming

**David  
D'Onofrio**



Ddonofrio

@naturalchoicefoods.com

**Jennifer  
Goodell**



Jgoodell

**Kyle  
Holst**



Kholst

***ENSURING NO GOOD FOOD GOES TO WASTE***