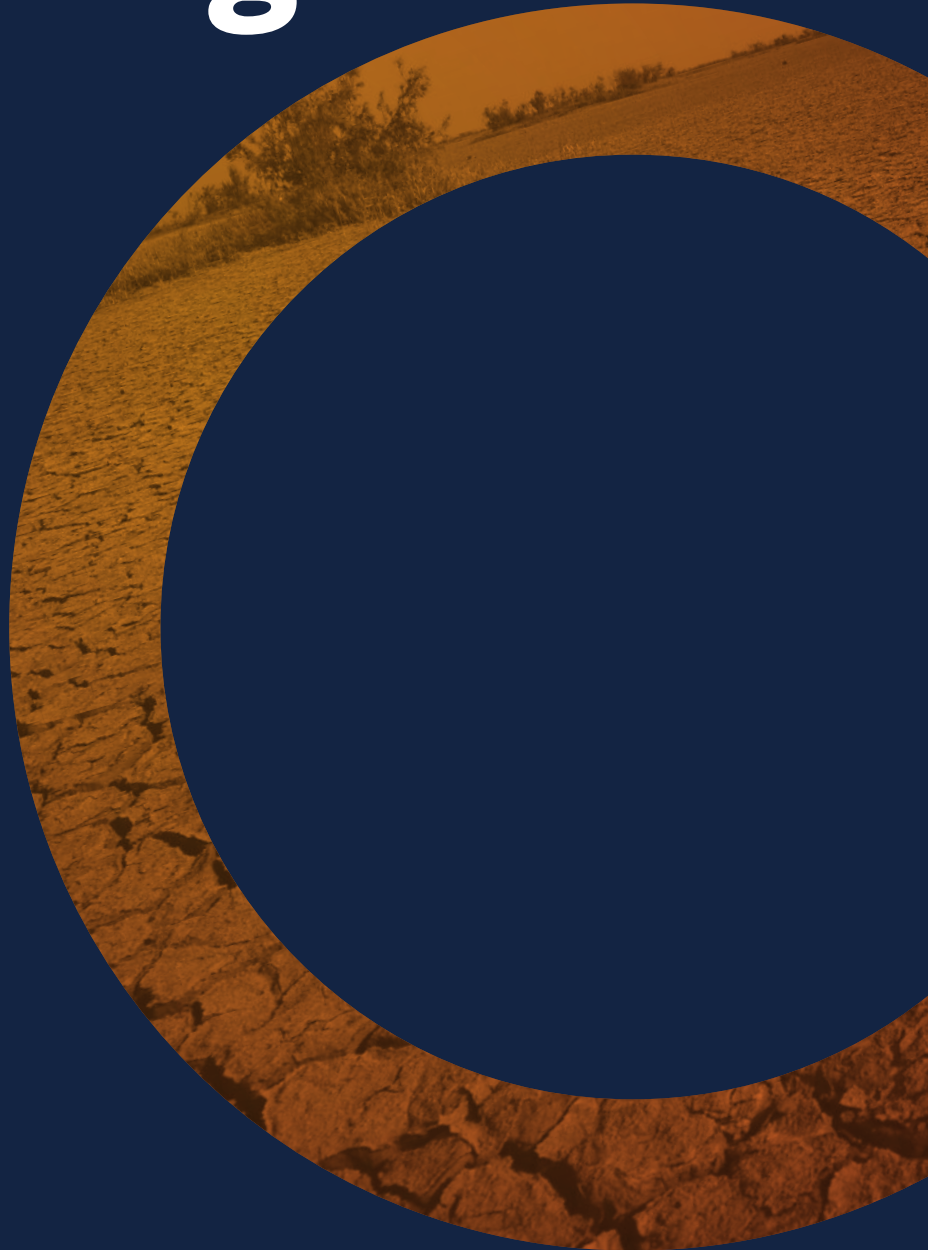




Weathering El Niño

The forecast is uncertain;
the response doesn't
have to be.



80%

Odds this El Niño
reaches "very strong"
by year-end

5%

Of global maritime trade
moves through the
Panama Canal

94%

Of the nation's
processing tomatoes
grown in California

5 cuts

Canal draft-limit cuts
since July 2026

Another variable just entered the equation.

Whether you believe climate change is real or not, no one can debate that weather patterns have grown more severe, more damaging, and less predictable.

Food and beverage manufacturers have spent the past several years adapting to disruption.

For many companies, managing disruption has become part of everyday business. The organizations that stay ahead of the next variable are the ones best positioned to turn it into an advantage.

Each of these forced companies to rebuild the playbook in real time.

COVID-19 reshaped how consumers buy and how supply chains move.

Tariffs raised the cost of steel and packaging.

Labor Shortages strained production lines.

Geopolitical conflict rerouted global freight.

The next variable has a name: El Niño

It is a natural, recurring climate pattern in which surface waters in the central and eastern Pacific warm well above average, shifting rainfall, drought, and storm activity around the globe for months at a time. El Niño and its counterpart, La Niña, are nothing new to agriculture. What is different this cycle is the environment it is arriving into, one where companies already have little room to absorb a surprise.

Weather risk does not begin at harvest. Seasonal conditions shape planting decisions, water availability, crop yields, and transportation demand, and those effects ripple from growers and processors to packaging suppliers, distributors, and retailers.

The scale of this cycle is already visible. As of early August 2026, nearly half of the Lower 48 states were in drought, and NOAA's Climate Prediction Center puts the odds above 80 percent that this El Niño reaches "very strong"

status by year-end, a range that would put it among the most powerful on record. The forecast is no longer a forecast. It is underway.

For food processors, El Niño is more than a weather event. It is a supply chain variable that can influence ingredient availability, transportation flows, production planning, and packaging demand. Understanding those connections now can mean the difference between reacting to disruption and getting ahead of it.

Weather risk used to be a farming problem. In 2026, it is a supply chain problem with a packaging line at the end of it.

The industry is already planning for a season that hasn't arrived.

Across North America, growers are already evaluating what this El Niño means for the next growing season. Those conversations are not centered on rainfall totals. They are focused on risk, prevention, and action. Will California get enough rain to refill reservoirs, or will growers keep rationing irrigation? Will a wet spring across

the Corn Belt delay planting and compress the harvest window? These are not idle questions. The timing of a weather event often matters more to crop production than the total rainfall itself, and this cycle, forecasters are watching those timing questions play out in real time across California, the Corn Belt, and the Southeast.

Here is what that looks like from three different vantage points: the global forecast, the regional meteorologist, and the grower deciding what to plant next season.

01 The Global Forecast

As World Meteorological Organization scientist Leon Hermanson put it in the agency's 2026 climate update, this El Niño raises the odds that 2027 becomes the next "record-breaking year" for global temperature, the driver behind the heavier rain, deeper drought, and more volatile storms this report addresses.

Leon Hermanson, Lead Author of the World Meteorological Organization annual climate update (2026) – Source: Climatechangenews

02 The Regional Meteorologist

Ed Piotrowski, Chief Meteorologist for WPDE in South Carolina, expects additional rainfall associated with El Niño to ease drought conditions if precipitation develops gradually through the winter and spring. He also cautions that excessive rainfall creates its own set of challenges, ones growers across North America face every season.

03 The Grower

Industry reporting shows growers are already incorporating those possibilities into their planning. AgWeb reports that producers are closely watching how this El Niño could influence planting windows, irrigation, and soil moisture as they make acreage and input decisions months before harvest, using seasonal forecasts to find where flexibility may be needed before big investments are made.

California produces approximately 94% of the nation's processing tomatoes, the foundation of North America's canned tomato supply.



A shift in growing conditions moves production, and eventually price, on the shelf. Planting timing shapes harvest timing, which shapes production schedules, inventory planning, transportation, and ultimately packaging demand.

From forecast to factory floor.

The ripple most manufacturers don't model

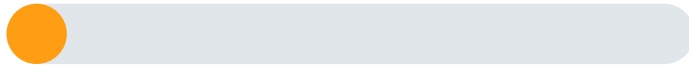
The effects of El Niño rarely stop at the farm gate. They continue through the supply chain, shaping where materials are sourced, how products are manufactured, and how goods move across North and South America.

One of the most visible examples is the Panama Canal, which carries roughly five percent of global maritime trade and connects suppliers, manufacturers, and customers across the Americas. It is not the only choke-

point worth watching. Domestically, low water on the Mississippi River has forced barge operators to lighten loads and pay higher freight rates in four of the last five years, a reminder that weather-driven bottlenecks are not limited to ocean shipping. A disruption to any of these lanes can create downstream inventory and lead-time challenges, pushing shippers onto less efficient routes and raising both transit time and cost.

OCEAN • PANAMA CANAL

5% of global maritime trade, connecting suppliers, manufacturers, and customers across the Americas.



INLAND • MISSISSIPPI

4 of 5 years in which low water forced barge operators to lighten loads and pay higher freight rates.



Sources: Panama Canal Authority, From Crisis to Opportunity: Rethinking Water Management in a Changing Climate · gCaptain, Panama Canal draft restriction coverage (August 2026) · World Weather Attribution, Low Water Levels in Panama Canal Due to Increasing Demand Exacerbated by El Niño Event · American Farm Bureau Federation, Mississippi River barge conditions

What the last cycle already showed us

This is not a hypothetical risk. During the 2023-2024 El Niño, drought lowered water levels in Gatun Lake so far that the Panama Canal Authority repeatedly cut daily transit slots, at one point reducing traffic by roughly a third. Carriers rerouted, queued for days, or paid a premium for priority passage. The disruption reached beyond container shipping, touching ingredient shipments, packaging materials, and finished goods moving on the same lanes.

The same event coincided with drought across parts of West Africa and Southeast Asia, regions that supply cocoa and coffee, and contributed to some of the sharpest price

moves those categories had seen in years. The lesson: a single climate pattern can move through commodity markets, ocean freight, and factory schedules in the same season.

That history is repeating in real time. The Canal Authority has already cut vessel draft limits five times since July 2026 as this El Niño intensifies, with the latest reduction landing September 3. Daily transit numbers have not been cut yet, but the direction is familiar. The Authority has added water-management measures since 2024, and those measures buy time, not immunity, for a supply chain that hasn't built in flexibility of its own.

2023-2024 · DAILY TRANSIT SLOTS

Cut by roughly a third



Carriers rerouted, queued for days, or paid a premium for priority passage.

THIS CYCLE · VESSEL DRAFT LIMITS

5 cuts since July 2026



Latest reduction landing September 3.

A weather pattern on the other side of the world can still show up as a delay on your production line. Scale and route flexibility are what stand between the two.

This is where the scale and reach of a global packaging partner provide real assurance. Manufacturers with deep vertical integration, broader sourcing, and coordinated production and logistics networks typically have greater visibility into supply chain conditions before they become production-floor problems. More visibility means more options: multiple manufacturing locations, established carrier relationships, and freight management that can offset a regional disruption when it matters most.

What history shows us about El Niño's reach.

The patterns growers and meteorologists are describing right now aren't just anecdotal. They show up clearly in the historical record, and in the numbers coming in on this cycle.

NOAA's Climate Prediction Center tracks El Niño's strength monthly as new ocean-temperature data comes in, and its estimate has moved in one direction all summer: toward a stronger event. That update cadence, not any single forecast, is what growers, processors, and packaging suppliers are learning to watch most closely.

Strength: The modern record, ranked

1997 - 98 STRONGEST OF ITS ERA



2015 - 16 PRIOR BENCHMARK



2026 - 27 PROJECTED ABOVE 2015-16



Bars show rank order, not magnitude. Supply peak ONI values and this becomes a true comparison chart.

The forecast itself is only half the story. The other half is how much slack your supply chain had left before the season even started.

The 1997-98 and 2015-16 El Niño events, the two strongest of the modern record, both produced sharp swings in precipitation across the Americas: wetter winters along the Gulf Coast and in California, drier conditions in the Pacific Northwest, and disrupted planting windows across the Corn Belt. This cycle may test that ranking. Independent climate estimates published in early August put its peak strength above the 2015-16 event, which would make it the strongest El Niño on record.

What makes this moment different from prior cycles is the environment it is arriving into. Inflation, tariff-driven input costs, and labor availability are already forcing food manufacturers to run tighter operating plans with less slack for a surprise. A weather-driven supply shock on top of that leaves far less room to absorb a bad quarter than it would have a decade ago.

Wetter winters

along the Gulf Coast and California

Drier conditions

in the Pacific Northwest

Disrupted planting

windows across the Corn Belt

Preparation is the advantage that compounds.

Uncertainty cannot be eliminated, but it can be planned for.

By the time weather begins influencing harvests, many of the most important business decisions have already been made: production schedules are set, customer forecasts are in place, packaging has been ordered, and transportation capacity has been

reserved. When conditions change unexpectedly, flexibility becomes one of the most valuable assets a manufacturer can have.

That is where partnerships matter most, and where Sonoco creates value.

ALREADY DECIDED BEFORE THE SEASON TURNS

01

Production schedules are set

02

Customer forecasts are in place

03

Packaging has been ordered

04

Transportation capacity has been reserved

Three ways Sonoco reduces the variable

01 • VISIBILITY

By staying connected to agricultural trends, transportation networks, customer forecasts, and production requirements, Sonoco helps customers see a disruption forming before it reaches the production floor, not after.

02 • INTEGRATED FLEXIBILITY

Sonoco runs a broad domestic manufacturing footprint with vertical integration on core materials, multiple production locations, and established carrier relationships. That combination gives customers alternative supply and logistics pathways when a single region or route underperforms.

03 • PARTNERSHIP

Sonoco works with customers at the strategy level, not just as a packaging supplier, through ongoing demand-planning conversations and shared visibility into the network on both sides.

Partnership is not a status you achieve; it's a commitment you keep. At Sonoco, we work every day to earn our partners' business by delivering value, fostering trust, and creating solutions that help us succeed together.

– Ernest Haynes

What Sonoco brings to this moment.

01 • DOMESTIC FOOTPRINT

A domestic production footprint that isn't hostage to ocean freight.

Sonoco's domestic manufacturing base reduces reliance on any single shipping lane, including the corridors most exposed to El Niño-driven disruption, like the Panama Canal.

02 • FREIGHT MANAGEMENT

Integrated freight management built for disruption, not just efficiency.

Established carrier relationships mean that when one route or region is constrained, there is already a plan for the next-best option, not a scramble to build one.

03 • PARTNERSHIP MODEL

A partnership model that starts before the disruption, not after.

Sonoco's teams work with customers on demand planning and network visibility on an ongoing basis, so that when conditions shift, the conversation is about which contingency to activate, not whether one exists.



METAL PACKAGING LEADERSHIP YOU CAN COUNT ON

As one of the world's largest purchasers of tinplate steel, Sonoco brings unmatched scale and purchasing power to the packaging industry. Because our steel cans are produced domestically, we help customers navigate market volatility and reduce exposure to global supply disruptions, amplified by weather events like El Niño. Our supplier relationships, extensive manufacturing network, and a commitment to operational excellence make us a reliable source of high-quality metal packaging when consistency matters most. Partner with Sonoco and you gain a trusted expert focused on protecting your supply chain, so your products reach the dinner table with confidence.



INTEGRATED PAPER CANS BACKED BY SUPPLY CHAIN STRENGTH

As a large paper recycler and paper can producer, Sonoco transforms recovered post-consumer paper and responsibly sourced fiber into high-quality paperboard for our paper cans. By leveraging both domestic and global raw material sources, Sonoco ensures a reliable, consistent supply while maintaining control over quality and performance. This vertical integration strengthens supply chain resilience, supports sustainability goals, and provides the foundation for our award-winning paper can portfolio. That strength lets Sonoco deliver innovative paper packaging solutions backed by scale, a global network, and manufacturing expertise, making us more than a supplier: a true packaging partner.

Supply Chain Readiness Checklist.

Sonoco's team developed the following checklist in direct response to what we are seeing across customers in the Americas as this El Niño cycle develops. It is not a strategic framework; it is a practical diagnostic exercise. Work through it with your supply chain and procurement teams. If fewer than five of these are true of your current plan, weather risk has quietly become your operating risk.

☐ **01** VISIBILITY

Do you have real-time visibility into your key suppliers' regional weather exposure?

If the first sign of a problem is a late shipment, visibility has already failed.

☐ **05** COMMUNICATION

Do you have a standing forecast and demand-planning conversation with key suppliers, not just a purchase-order?

The best contingency plans are built before they're needed, together.

☐ **02** FLEXIBILITY

Can you shift production or sourcing quickly if a region underperforms?

Assurity of supply strategy is critical.

☐ **06** CONTINGENCY

Have you modeled what a canal restriction or a regional drought year does to your next two quarters?

If the number surprises you, it hasn't been modeled yet.

☐ **03** INVENTORY

Is your safety stock positioned to absorb a four- to six-week transportation delay?

Just-in-time and weather risk make an expensive combination.

☐ **07** DOMESTIC CAPACITY

Does your supply base include domestic production that isn't exposed to ocean freight risk?

Sustainability is no longer a premium tier, it's table stakes.

☐ **04** CONCENTRATION

Are your packaging and ingredient suppliers concentrated on a single shipping corridor?

The Panama Canal is not the only chokepoint, but it is the one already in the headlines.

☐ **08** SPEED

Can you requalify an alternate material, format, or supplier within a single selling season?

The window to adjust is shorter than the window most planning cycles assume.

Fewer than five boxes checked? Weather risk is already inside your supply chain, whether or not it's on your risk register.

Sonoco can help you build in the flexibility before the season tests it.

The best time to plan for El Niño was months ago. The second best time is now.

This El Niño is not the first challenge food manufacturers have faced this year, and it will not be the last. What sets it apart is timing. El Niño may arrive while manufacturers are already juggling inflation, shifting trade policy, and increasingly complex supply chains.

At Sonoco, preparation means more than manufacturing packaging. It means understanding the markets our customers serve, monitoring the conditions that influence their businesses, and working collaboratively

to strengthen supply chains before disruption reaches the production floor.

That starts with visibility and carries through execution. We track the same market and weather signals our customers do, and we stay in the conversation as conditions shift, not just when the purchase order changes. Our role goes beyond supplying packaging: we help customers stay ready, align resources with demand, and adapt as the season evolves.

Sonoco has been in this business for more than 125 years. We've helped customers move packaging through hurricanes, droughts, tariff cycles, and disruptions nobody forecast. What doesn't change are the fundamentals: when a shipment is late, or an input runs short, the plan made months earlier is what saves the season.



No one can control the weather. Together, we can be better prepared for what comes next.

To continue this conversation: consumerpackagingamericas@sonoco.com