The Indicator

QUARTERLY FORECAST REPORT

January, February, March 2011

entegra
PROCUREMENT SERVICES®

Purchasing That Fits®

Executive Summary

Inflation

- Real gross domestic product (GDP) increased at an annual rate of 3.2% in the fourth quarter of 2010.
- The Institute for Supply Management's (ISM) Purchasing Manager's Index (PMI) was recorded at 57% in December 2010.

Beef

- Entegra's January 2011 ground beef prices are flat against last year but are expected to increase 6% in March.
- Consumer demand, low inventories, feed costs and a weak U.S. dollar are the primary price drivers.
- Beef market prices could reach historical high levels in the first half of 2011.

Beverages

- Coffee prices are at 20-year highs and are not expected to retreat much in 2011.
- Tightened supplies, speculative buying and a weakened U.S. dollar are driving coffee prices higher.
- Orange and apple juice futures are higher than last year and are driving entegra's prices higher.

Dairy

- February 2011 Class I milk prices are 6% higher than last year while entegra's natural and processed cheese prices are below 2010 levels.
- In general, dairy prices will be at 2010 levels unless market conditions become extreme.

Grains / Ingredients

- January 2011 wheat and corn prices are 61% higher than 2010 being driven by high exports and increased production of ethanol.
- Rice production and inventories are strong driving entegra's January 2011 prices 6% lower than last year.
- The U.S. court has banned the planting of genetically modified (GMO) beet sugar seeds which will continue to pressure sugar supply keeping prices elevated.

Oils

- Refreshed bio-diesel demand, energy prices and fund speculation have had a negative effect on soy bean and oil prices.
- Entegra's Ventura January 2011 oil prices are 24% higher than last year; prices will remain firm in 2011.

Pork

- Pork production and inventories remain at low levels as the pork industry is not expanding; 2011 prices will remain at elevated (near historic) levels.
- U.S. exports of pork products remain high driven by a weakened U.S. dollar.
- Entegra's January 2011 bacon prices are 12% higher than 2010 while ham is 24% higher.

Poultry

- Chicken prices (including entegra's Koch products) have been firm to falling. Based on adequate supply manufacturers will be limiting supply later in 2011.
- Entegra chicken prices have been flat but increases are expected in the second half of 2011 driven by supply.
- Entegra's turkey prices will trend higher in 2011 driven by feed costs.

The *Indicator Forecast Report* is a quarterly publication that takes a look at market trends and the *"whys"* behind market activity for the most recent quarter. The report provides an overall perspective of commodity markets.

Produce

- A series of freezes in Florida have driven the pricing for row crops higher as crops were severely damaged.
- Lettuce prices and quality have been impacted by a recent soil fungus.

Seafood

- In general, entegra's contracted seafood products are priced higher than last year driven by supply and energy issues. Relief could be experienced late in 2011 driven by improved supplies.

Metals

- January 2011 aluminum prices continue to rise over recent levels while stainless steel prices remain steady.
- Entegra's aluminum and stainless steel smallwares are forecast to increase 3% to 6% in 2011 driven by market prices and energy concerns.

Pulp and Resin

- Tight supplies in both resin and paper are driving market prices higher than 2010; prices look to remain firm in 2011.
- Entegra's PACTIV, Solo, SCA Georgia Pacific and Handguard prices are higher as of January 2011 compared to last year and look to remain that way for all of 2011.

Labor

- U.S. employers anticipate small staffing gains for the first quarter of 2011.
- Unemployment rates dropped to 9.4% in December 2010 as employers added 103,000 workers.

Linen

- Cotton prices remain at historical levels and are expected to remain that way throughout 2011.
- Supply Management is standardizing and rationalizing SKUs to help manage uniform and linen costs. This will enable us to negotiate the best value on a smaller number of products due to volume commitments.

The General Indicator

The following are some of the common themes discussed throughout the current issue of *The Indicator*:

A. Increased consumer demand is helping fuel inflationary pressures.
B. Higher feed costs are impacting many categories.
C. A weakened U.S. dollar is driving exports higher and shifting domestic supply overseas.
D. Higher energy processes are pressuring commodity costs.
E. Higher crude oil prices will drive ethanol production which in turn is impacting various commodities.

The Indicator
Forecast Report
January, February, March 2011

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For questions, comments and more information regarding the Indicator Forecast Report, please contact Tracey Ranallo, Vice President, Program Activation: Tracey.Ranallo@entegraPS.com.

Inflation Report

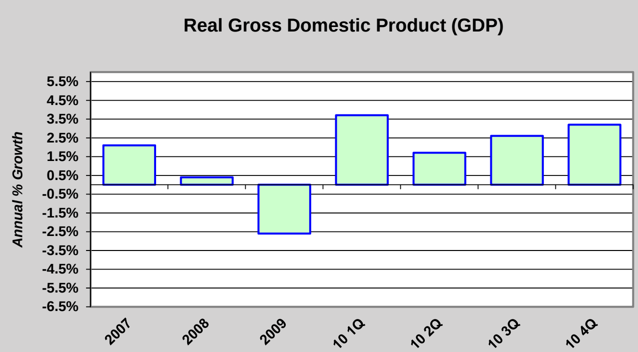
Real gross domestic product (GDP), the output of goods and services produced by labor and property located in the U.S., increased at an annual rate of 3.2% in the fourth quarter of 2010, per an advanced release from Bureau of Economic Analysis (BEA). This increase is being driven by personal consumption expenditures, exports and nonresidential fixed investment. Imports, which are a subtraction in the calculation of GDP, decreased driven by other countries selling products to countries other than the U.S. because of the weakened U.S. dollar.

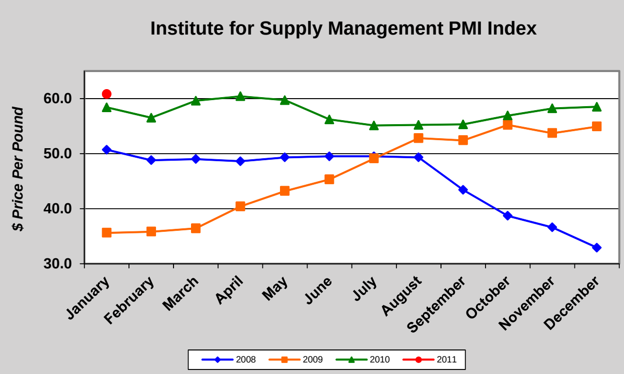
The Institute for Supply Management's (ISM) Purchasing Manager's Index (PMI) was recorded at 57% in December 2010. A PMI in excess of 41.1%, over a period of time, generally indicates an expansion of the overall economy. With December's index over last December, that makes a whole year where the monthly index is greater than the previous year. This is a clear indicator that the U.S. economy is growing driven by the pickup in consumer spending.

According to Ephraim Leibtag, U.S. Department of Agriculture (USDA) food price forecaster, "Increased global trade coming out of the recession, some increased consumer demand, and higher energy and commodity costs for food production will boost food prices". The USDA expects a rise in oil prices to lift demand for ethanol by more than 5% in the U.S., which will increase corn prices. The USDA expects U.S. food inflation of 2- 3%, the highest since 2008.

Not including food and energy prices, U.S. inflation has been fairly stable. In the past 12 months the Consumer Price Index has risen only .8%. With so many people still out of work, economists feel consumer spending is still not as strong as it should be. While food and energy inflation is a concern to everyone, overall U.S. inflation looks to be contained.

Sources: Institute of Supply Management, USDA, Bureau of Economic Analysis





Beef Report

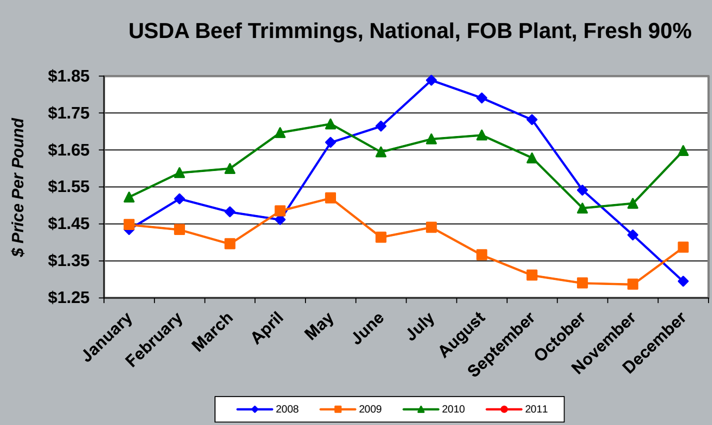
As of January 2011, U.S. Department of Agriculture (USDA) 90's and 50's boneless beef trim, the main components of ground beef, were at $1.83 and $.85 per pound, respectively. This is 20% and 8% above last year's levels and 10.8% and 6% greater than December's, respectively. Prices are expected to remain firm through the first quarter of 2011. These high prices are being driven by higher feed costs, lower production, lower ending inventory levels and stronger than expected consumer demand. Beef production in 2011 is expected to be higher than 2010 reflecting larger placements of cattle during the fourth quarter of 2010 which will be ready for slaughter during mid-2011.

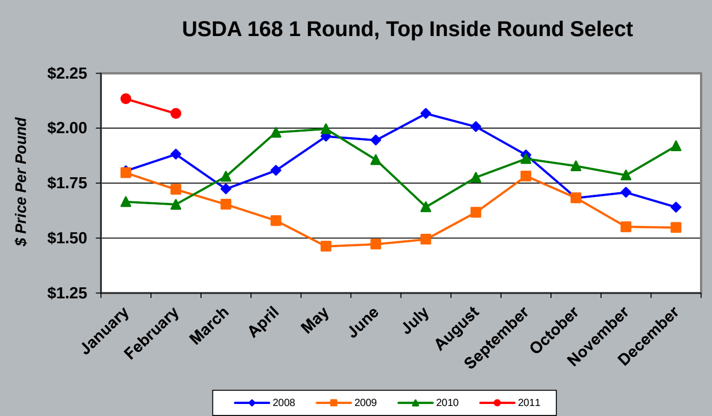
Select inside rounds, the main cut of meat for roast beef, as of January 2011, was priced at $2.13 or 28% higher than last year. Pot roasts and beef stew meat are 16% and 12% higher than last year, respectively. Like ground beef, these cuts of beef are higher than December's values.

A continuation of strong U.S. export demand and ongoing economic recovery in domestic beef demand will allow cattle and beef prices to move higher in the first half of 2011. The key driver in determining how high prices go is consumer demand. Market prices are expected to remain close to, if not surpass, historical levels in 2011 and be above 2010 levels. The question is: how high will the prices go and how quickly will they drop in the second half of 2011? **Entegra's ground beef prices through Cargill are flat compared to last year's levels but are expected to increase 6% in March 2011 driven by underlying markets. The current ground beef prices compared to market levels have generated great value for entegra's customers. Entegra's roast beef and pot roast prices are 16% and 12% higher than last year and aligned with market prices.**

Cattle prices across the board are expected to experience year over year increases in 2011, according to Oklahoma State University Extension Livestock Marketing Specialist Derrell Peel. In an outlook report, Peel predicted cattle prices will likely rise into "uncharted waters" in 2011. He identified five market factors expected to have the biggest impact on market prices: beef demand, herd expansion (or lack thereof), 2011 crop conditions, international trade and forage conditions.

Sources: USDA, World Agricultural Supply and Demand Estimates, Urner Barry's Comtell, Cargill, Drovers Report





Beverage Report

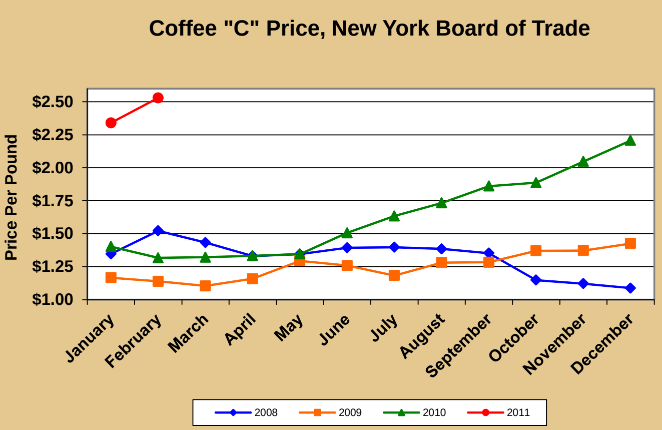
January 2011 coffee prices hit levels not seen since 1990 with coffee prices up almost $1.00 per pound or 67% from a year ago. Moving into the second quarter of 2011, coffee is transitioning into a period of oversupply which would typically indicate a fundamental drop in pricing. Unfortunately, this is not the case as hedge buying (speculating) and the weak U.S. dollar continue to feed the bullish market. First reports of Brazil's crops for 2011/2012 were forecast at approximately 41 million bags, but recently have been updated to 48.8 million bags. This still remains down from the record crop for 2010/2011 which was at 56.6 million bags. Favorable weather and high prices allow farmers to fertilize and make on-site improvements to increase overall production. Colombian coffees have seen an increase in price differentials due to weather which is causing expensive coffees to go higher.

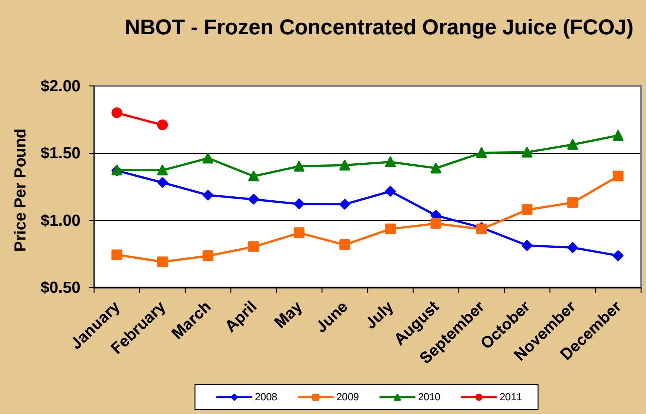
It is anticipated that future pricing, although influenced by the economy and weak U.S. dollar, will be driven by supply and demand. There is an increase in supply in the first quarter of 2011 but supplies will dwindle throughout 2011 as 2011/2012 crops are harvested. This, coupled with increased consumer demand, will pressure coffee prices throughout 2011. As prices are at historical levels, it will not be surprising to see some sort of reduction in the markets after the first quarter of 2011.

Entegra continues to purchase short term for Kraft (Maxwell House) and Royal Cup Coffee contracts. This buying is common in the market as coffee suppliers anticipate a reduction in price sometime in the first half of 2011. This will enable entegra to take advantage of price decreases immediately. Anticipate 3 to 5% increases in most roast and ground coffees through the first quarter of 2011. The 100% Colombian coffees will see higher increases.

Orange juice future prices have continued to rise steadily into the first quarter of 2011 to 3-year highs. The forces driving this increase are solid global demand for commodities, the weak U.S. dollar contributing to U.S. exports and speculative investing and concerns over crop output in Florida and Brazil. Florida did have two periods of freezing temperatures that hit in December 2010. The new apple crop has begun to hit the market at 100% over last year's prices. A terrible crop in Europe has contributed to overall shortages. There is no trigger in the near future that is expected to help lower prices. **Entegra's Gregory Packaging and Minute Maid apple juice products are approximately 12% over last year's prices. Orange juice products from these vendors are also significantly higher than last year. Prices are expected to remain firm for the near future.**

Sources: Weekly Coffee Update (Sara Lee Foodservice), Coffee Market Report (Kraft Foods), New York Board of Trade, Coffee Perspective (Royal Cup Coffee), Mother Parkers Coffee and Tea Coffee Update, UBS Wealth Management Research 12/09





Dairy Report

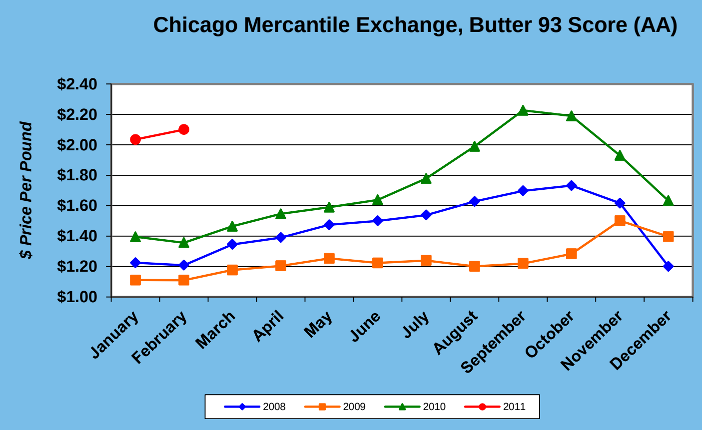
Milk production closed out 2010 on a high note. December 2010 output was 2.5% higher than the previous year. Cow numbers were significantly higher despite strong slaughter numbers, largely due to a ready supply of replacement heifers. This situation suggests producers may be responding to lackluster feed-price ratios that persisted in 2010 and are likely to worsen in 2011 due to higher expected feed prices. Total milk production in 2011 is expected to increase 1.4% over 2010. Changes in supply or perception of it will drive this market through the first quarter of 2011. Dry weather in New Zealand and South America coupled with cold and snow in Europe have diminished hopes of any improvement in milk production. Fluid milk consumption in the U.S. continues to be weak. According to the December 30, 2010 Information Resources Inc. report, consumption was down 2.2% in the fourth quarter of 2010.

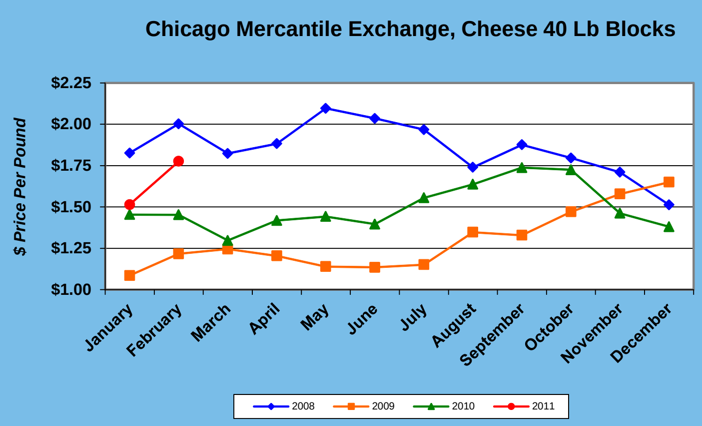
February 2011 Class I milk prices are 6% higher than last year. Even though prices will rise for the majority of the first half of 2011, market pressures are expected to ease in the second half of 2011. Overall milk prices in 2011 will be on par with last year unless there are significant market events that would increase milk prices. **Entegra's local fluid milk prices will continue to respond in unison to respective local milk markets.**

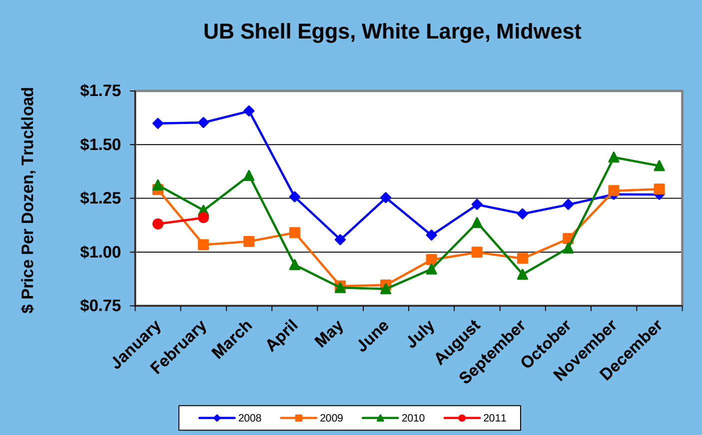
December 2010 cheese inventories are above last year's levels and current production appears adequate to meet demand. Over the course of 2011, supplies could tighten in the face of forecast milk production, keeping cheese prices firm over the course of the year. February 2011 Chicago Mercantile Exchange (CME) cheese prices are 7% lower than last year's levels. **As of January 2011, entegra's natural cheeses through DCI are approximately 12% lower than last year while processed cheeses from Schreiber are 3% lower. Further, price reductions are expected for entegra's cheese products in February 2011. Like milk, overall 2011 cheese prices are expected to be at 2010 levels.**

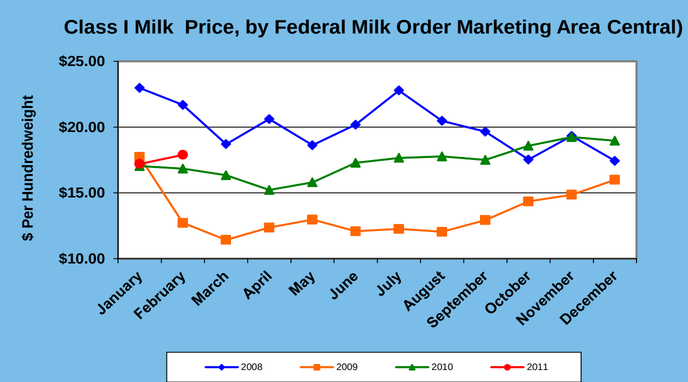
The CME butter price moved up sharply at the beginning of January 2011 driven by concerns about limited world butter supplies. Specifically, lack of moisture in New Zealand and rains in California have negatively impacted production. The market is going to be closely following the news on world supply and will react accordingly. The January 2011 butter price of $2.01 per pound was 24% higher than December and 45% higher than last year. Price increases like this have not been experienced since 2000. **Entegra's contract butter prices through AMPI are being impacted by the market prices and are 20% higher than last year. Butter purchased through contracted regional vendors is also being impacted by the market pressures.**

Sources: global Dairy Trade (gDT), Chicago Mercantile Index, Penn State Dairy Outlook, Dean Market Overview, Dairy and Food Market Analyst, Blimling and Associates December 31, 2010









Grains/Ingredients

U.S. wheat ending stocks for 2010/11 are projected at 40 million bushels as of January 2011. While a reduction in feed and residual wheat use is expected, it will be more than offset by higher projected U.S. exports. The high exports are being driven by the weakened U.S. dollar and severe wheat shortages in Russia. As of January 2011, the price of Chicago Soft Red Winter Wheat was $7.44 per bushel which is 61% higher than a year ago. These are the highest levels experienced since 2008. Prices are forecast to remain firm through 2011.

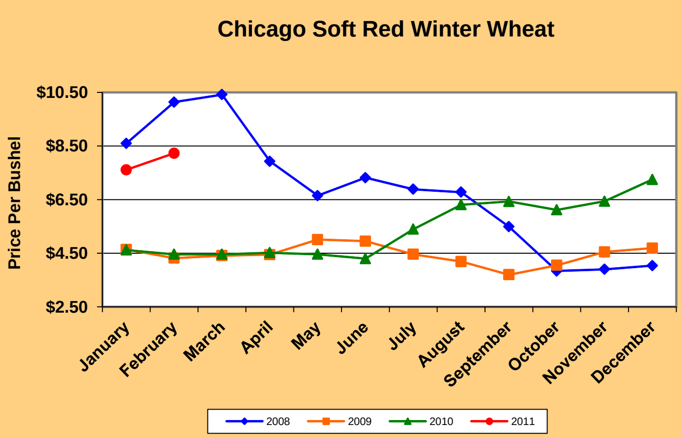
At this point, U.S. corn production from the 2010 harvest is estimated to be 5% lower than in 2009. While total corn production was left unchanged, the U.S. Department of Agriculture (USDA) made adjustments to corn use by various marketing channels. Ethanol use was increased by 100 million bushels, reflecting strong demand for ethanol from both U.S. and foreign users. As of January 2011, the price of Omaha Corn, U.S. 2 Yellow was $5.85 per bushel which is 61% higher than a year ago. These are the highest levels experienced since 2008. Like wheat, prices are forecast to remain firm through 2011.

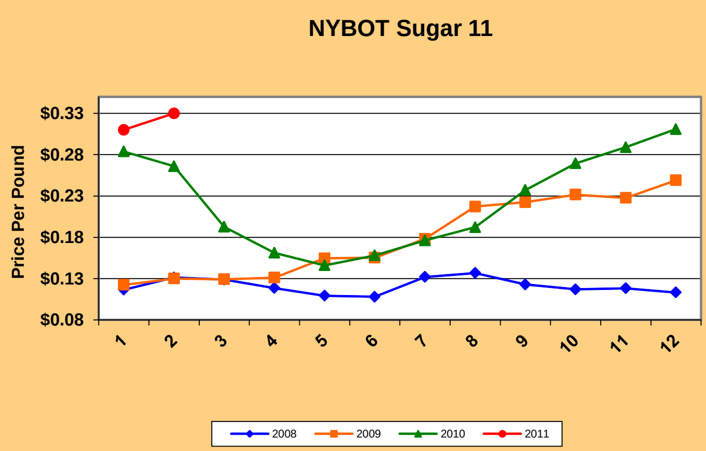
The 2010/11 season-average farm price for U.S. long-grain rice is projected at $10.50-$11.50 per hundred-weight, down from $12.80 in 2009/10. The projected decline in U.S. long-grain prices are being driven by record U.S. supplies, quality concerns regarding rice harvested in the U.S. Delta and expectations that global prices will decline later in the market year. **Entegra's January 2011 rice prices through Producers Rice came in at 6% lower than last year's levels and are expected to remain below 2010 through the rest of the year.**

Global Supplies of sugar remain tight as the new harvest season is beginning to develop. A U.S. court has banned the planting of genetically modified (GMO) beet sugar seeds driving farmers to scramble and acquire ample non-GMO seeds for this season's plantings. While the majority of U.S. domestic supply of sugar is from cane, the reduced amount of beet sugar on the market in 2011 will likely force refiners to pull suppliers from overseas which carry expensive tariffs. U.S. domestic sugar supply may lag behind global recovery and prices could continue to be near record highs well into 2011.

Global crop and consumer demand projections for 2011 look more favorable. Due to the previous year's supply issues and the GMO seed ban, volatility in the sugar markets are expected through the second quarter of 2011. Market pricing for sugar is expected to remain high through the first quarter of 2011. January 2011 sugar prices ran 9.2% over the same period last year. There are some analysts that are concerned that the historical highs from the past 18 months may become the "new normal" as overall commodity market circumstances may prohibit the Sugar market from adjusting back to historical averages. **Entegra's Domino contract pricing will mirror the underlying market activity and is designed to absorb small changes, but to adjust as the market makes larger fluctuations.**

Sources: Domino Foods, Bloomberg.com, Czarnikow Group, The Iowa Independent, CME





Pork Report

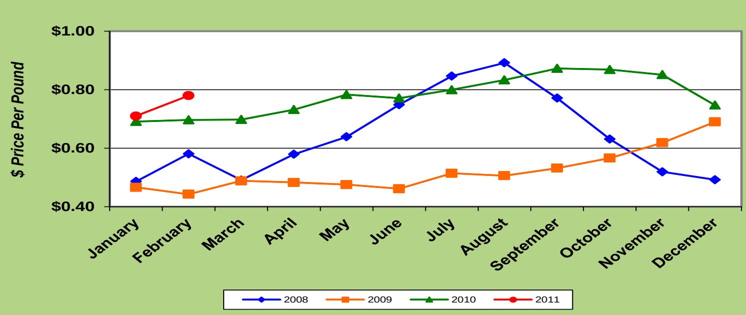
U.S. 2011 pork production is forecast to be down 1% from last year's levels. January 2011 pork freezer stocks were down 3% compared to the same period last year. November 2010 U.S. pork exports were 6.7% higher than last year driven by disease issues in the Korean pork complex and the recent discovery of dioxins in feed formulations within Germany. China has banned pork imports from Germany which has resulted in increased demand for U.S. pork products. Another driver of exports is the weakened U.S. dollar which allows other countries to buy U.S. products at lower costs.

Lower inventories and farrowing intentions indicate caution on the part of pork manufacturers in regard to profit margins. As with other proteins, feed costs are sky rocketing and manufacturers do not want to be in a situation like 2008 where they lost significant profits due to excess supply and high feed costs. The lower breeding inventory, combined with estimated year-over-year higher fourth-quarter 2010 sow slaughter, suggests that some producers have responded to higher corn and soybean meal prices and to expectations that high pork prices will continue into the future.

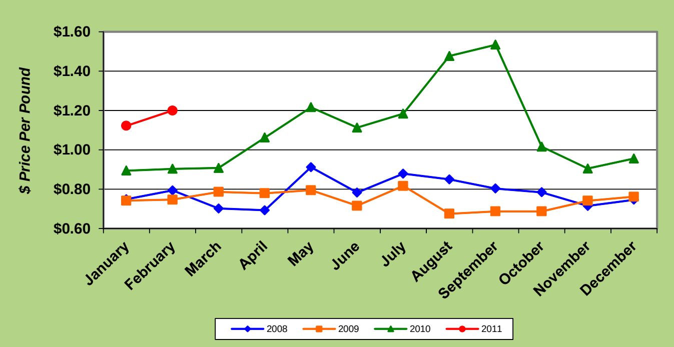
Projected price increases for the first quarter of 2011 are estimated at 10 to 20% higher compared to the previous quarter. Farmland expects pork prices to near or exceed record high levels in 2011. Increased consumer demand for proteins and tight global supplies are the driving factors behind record high prices. Lack of expansion of the pork supplies coupled with continued strong U.S. export demand will push 2011 pork prices upward between 8 to 10% on average over 2010 prices. Domestic demand for pork has been very good and is expected to continue through the year. **Entegra's January 2011 bacon prices through Farmland were 12 % higher than last year but are significantly below the historical highs experienced in the summer months. Entegra's ham prices are averaging 25% higher than last year. Entegra's prices will follow the market and likely be pressured throughout 2011.**

Sources: Farmland, U.S. Department of Agriculture

USDA Hams, Bone-In 20-23# Trim Spec 1, FOB Basis



USDA Bellies, Skin-On, Trimmed 14-16#, Total on FOB Basis



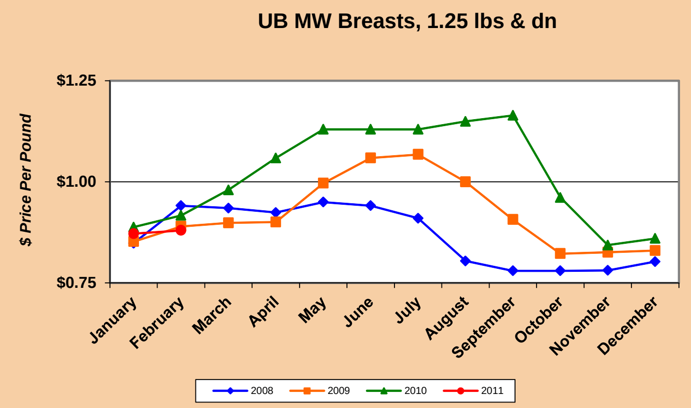
Poultry Report

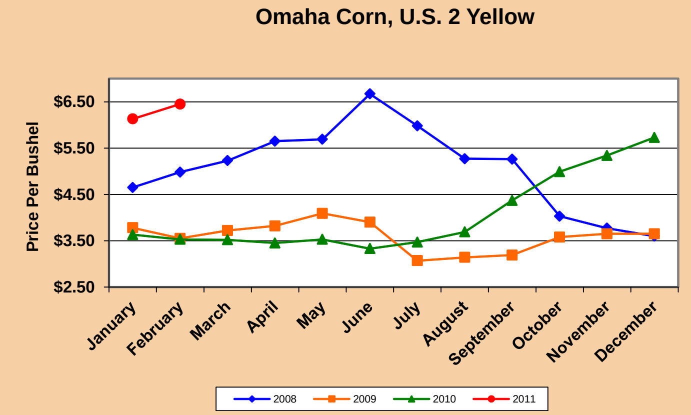
The cycle of the poultry industry has returned to the red for most producers. Expansion in the industry coupled with significant increases in commodity inputs have put the industry under severe margin pressure. Corn is up almost $3.00 per bushel or 75% from 2010 summer lows. This upward swing in corn pricing is driven in large part by the government renewed ethanol credit and increasing U.S. export demand. It is also a result of less production than what was originally anticipated. Soymeal is up over $125 per ton or 28% from 2010 summer lows for many of the same reasons as corn. The high pricing in these commodities appears to be following the same 2008 pattern which impacted many companies in the protein sector. With these higher grain prices, production cutbacks are expected to help bring supply back into balance with demand at prices that are above the cost of production.

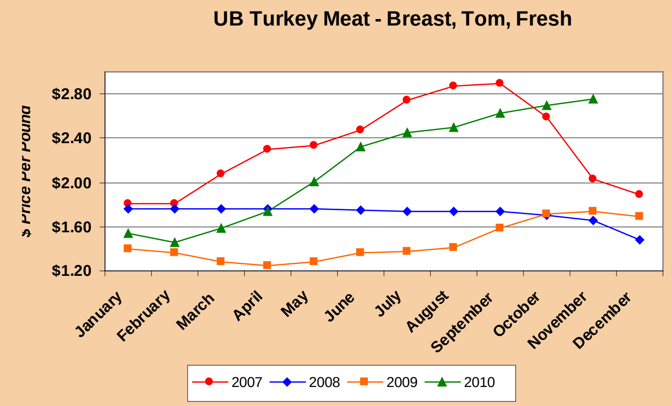
Pricing on chicken has remained nearly flat for the first quarter of 2011 due to excess supply in the market. If commodity inputs maintain these levels the industry will be forced to implement dramatic cutbacks that will correct the supply and demand equation. These cutbacks would most likely lead to higher pricing in the second half of 2011. With a fragile economy beginning its recovery, these increases could damage demand and put more pressure on suppliers. The next six months will be critical as the pressure will be on the U.S. farmers to increase production to meet increasing demands in the ethanol and export sectors. **Over the past six months, entegra has enjoyed flat to declining prices for most chicken products. This trend is expected to continue through the first quarter of 2011. Expect higher trending chicken prices in the second half of 2011 as supply is reduced by manufactures and consumer demand continues to improve.**

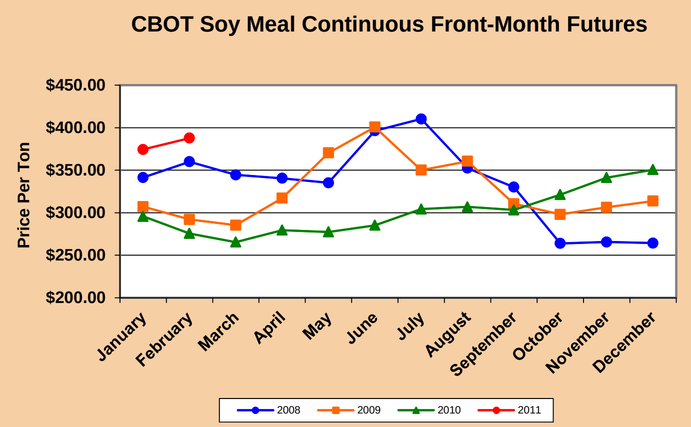
Entegra's turkey products through Jennie-O are driven mainly by corn and soybean meal costs. As discussed above, both of these feeds are experiencing dramatic increases. Entegra's turkey prices are expected to increase 3% in the first quarter of 2011 compared to the previous quarter driven by feed prices. Another 4% increase is expected in the second quarter of 2011.

Sources: USDA, Chicago Board of Trade, Kiplinger Agriculture Letter, Optionetics, Daily Futures, University of Illinois Farm Doc









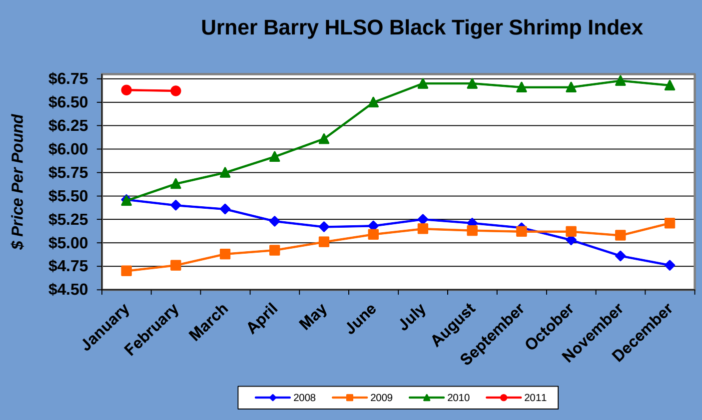
The salmon market continues to be challenging, as pricing has firmed significantly compared to 2010. Supplies are limited and it is anticipated that it will remain that way throughout 2011. Producers are able to charge more for salmon products compared to last year due to a decline in volume level of traditional sources of salmon for the U.S. market such as farmed Atlantic salmon. In addition, worldwide demand for salmon continues to grow. Salmon prices are currently 29% higher in January 2011 compared to last year. **Entegra's January 2011 salmon prices through Neptune were, on average, 20% higher for the same time period.**

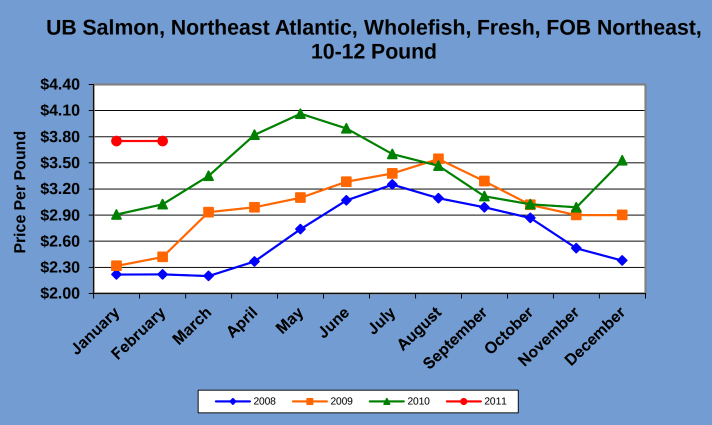
The commodity shrimp complex continues to feel the aftershocks of the challenging close to the 2010 season. Tigers remain in short supply (especially large sizes) and pricing is still firm as a result of multiple supply issues, as well as increased demand from China. Whites have experienced the same issues, however some price easing on those products is expected as we move further into 2011 and the new harvest comes to market. Urner Berry's Tiger Shrimp Index was 22% higher in January 2011 compared to 2010. **Entegra's Neptune shrimp prices were 6% higher in January 2011 compared to last year and could see some relief later in 2001 driven by the factors discussed above.**

The Pacific Cod market has continued to strengthen as of late, mirroring trends in the Atlantic Cod market. While 2011 quotas are anticipated to be up significantly which should eventually put some downward pressure on future pricing, today's market is characterized by strong demand and limited supply with spot pricing significantly higher than 3-6 months ago. As with Atlantic, we anticipate some price softening as the year progresses and inventories are built back up to historic levels. **Entegra's cod prices through Neptune were down 6% compared to last year as of January 2011.**

Tilapia pricing will be much firmer in 2011 compared to last year's levels in the first quarter of 2011. With strong retail demand early in the season, increased feed and transportation costs, a weakened U.S. dollar and ongoing disease issues, farmers are reacting and adjusting prices to reflect these cost increases. The colder than anticipated Chinese winter may exacerbate some of these trends. The new tilapia fishing season starts in the third quarter of 2011 and should bring some relief to the record high pricing of 2011. **Entegra's January 2011 tilapia prices were 24% higher than 2010.**

Sources: Fisheries Products International





Produce Report

The earliest freezes since 1865 in Florida, unprecedented flooding in Central and South America and Australia and heavy storms in California and Arizona have captured headlines--all of these factors will have a prolonged impact on the supplies, quality and pricing of many produce items. Bananas from Central and South America may not recover until the summer months and some growers say perhaps even into late-2011. Row crop vegetables in Florida were among the hardest hit, including bell peppers, broccoli, cauliflower, corn, eggplant, green beans, lettuce, red potatoes, squash and strawberries. Through the first quarter of 2011, volatility will continue in the markets.

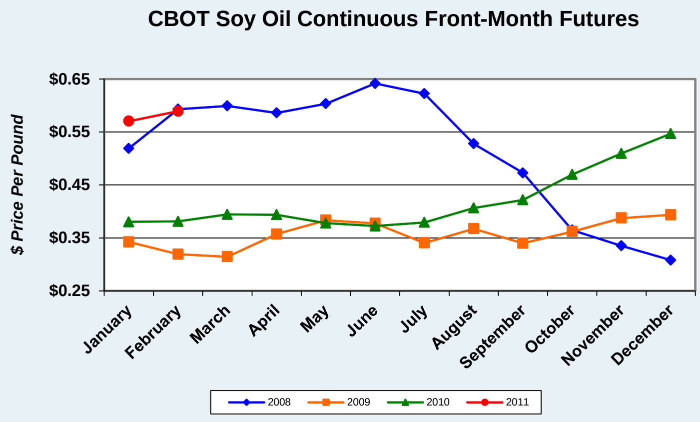
Canada's January 2011 potato stocks fell significantly and are at their lowest level since 2002 and inventories are down 3.3% from last year. Russian demand for fresh potatoes is driving up European potato prices. Belgian processing potato prices climbed 47.1% between December 2010 and January 2011. These factors are pressuring potato prices in the U.S. Potato prices should be fairly normal for the first quarter of 2011 but could increase rapidly in the second quarter driven by supply and energy issues.

Significant crop losses of lettuce have developed as the result of an airborne breakout of sclerotinia in the U.S. Desert Southwest. This is a soil fungus that attacks the outer head leaves, working inward, causing the entire head to break down at the field level. Estimates range as high as a 60% loss in the fields that have been affected. In addition to sclerotinia, quality has also been affected by ongoing issues with epidermal blistering and peeling caused by freezing temperatures earlier in the growth cycle. Lettuce quality is fair. Lettuce prices will be extremely volatile in the near future.

Consumers continue to focus on supporting sustainable agriculture in a "farm to plate" program that has many in the foodservice industry serving produce that is in season, organic and grown locally. This trend will continue to mushroom, however "local" may be redefined to have a broader meaning As interest and demand for local foods grow, so do questions about what constitutes "local". Consumers are becoming more particular about produce and are interested in knowing more about the local growers. **Entegra continues to successfully source 'locally grown fresh produce' to meet customer needs. Even though the winter season is a slow period for produce in the U.S., entegra continues to work with key vendor partners to identify locally sourced winter crops.**

Sources: Michael Mark, Fresh Point, Produce Alliance

Oil Report



A recent USDA Report reduced the projection of soybean yields slightly from the last issued report. U.S. soybean ending stocks are estimated at 140 million bushels, which is the 3rd tightest level on record since the late 1970's. Despite three record crops in a row, there are still lingering concerns regarding tight global supplies of edible oils. Developing countries as well as China and India are experiencing significant increases in edible oil consumption.

The U.S. Environmental Protection Agency is expected to approve a 15% ethanol blend for all cars and light-duty trucks manufactured between 2001 and 2006. The Obama Administration has remained supportive of renewable fuels. Congress has required refiners to blend 36 billion gallons of bio-fuels, mostly ethanol, into auto fuel by 2022. The diversion of corn into ethanol and bio-fuel mandates is making animal feed and food commodities more expensive. Alternate fuel mandates will continue to affect demand and farmer planting decisions.

The refreshed bio-diesel demand has had a negative effect on soybean and oil prices. As of January 2011, soy oil prices were $.5676 per pound, nearly 50% over last year's levels. These are the highest levels since 2008. The weakened U.S. dollar has spurred very strong U.S. export demand, especially from China. Also driving prices are strong energy prices and fund speculation. The consensus is that pricing for the balance of 2011 will continue to range in the $.50 per pound range by outside markets. This is approximately 20% above 2010 levels. **Entegra's liquid fry oil from Ventura as of January 2011 is 24% higher than last year. These prices will be steady in 2011 and in line with the markets.**

Sources: USDA Reports, Robert Whyte - Ventura Foods VP, Jim Crawford - Ventura Foods VP

Pulp & Resin Report

Consumer demand for PET, Benzene, Polypropylene, and Polystyrene normally increases in the first quarter of the year. Typically it continues to climb in demand in preparation for the higher demands of the warmer weather for takeout containers and bottled water. Fuel surcharges are now becoming a major issue with converted product prices as the cost of transportation becomes a much higher component of the overall cost to deliver.

The industry projects the following pricing moves for resin in the coming months for the first and second quarters of 2011:

- **PET** is a main material in clear cups, water bottles and some food service clear items. PET resin demand in the U.S. remains strong but it has eased recently as many customers have cut orders because of normal seasonality, year-end working capital constraints and pre-buying in prior quarters to beat the current PET price surge. Cotton speculators have been the primary cause of the recent price bubble as shortages in world cotton production have necessitated its replacement with poly ethylene, the main component of PET. Overall 2011 PET prices will be higher than 2010 with the first quarter of 2011 prices 4 to8% higher than the previous quarter.

- **Benzene** is a key additive in foaming products for insulation capabilities. Its price has risen and in so doing has caused the expected result in import markets. More cargoes are on the way from Asia and due to arrive in January 2011. This will likely put some downward pressure on the spot prices during the month. Spot toluene prices are projected to ease during January 2011 and will also ease pressure on benzene. Benzene prices are expected to 10% in the first quarter of 2011 over the previous quarter before declining in the second quarter of 2011. Overall 2011 prices are expected to be higher than 2010.

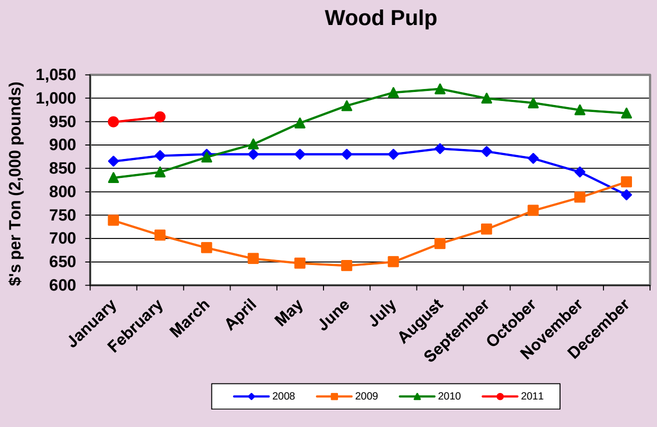
- **Polypropylene** is a key raw material in straws, cutlery and microwavable lines and some cups. Polypropylene supply is tight driven by consumer demand causing prices to edge higher in the first quarter of 2011. There also seems to be a few refinery gasoline production units having problems and planned / unplanned refinery shutdowns in the quarter. As a result, the price is expected to increase 4 to 6% in the first quarter of 2011 over the previous quarter and then remain firm over the next six months.

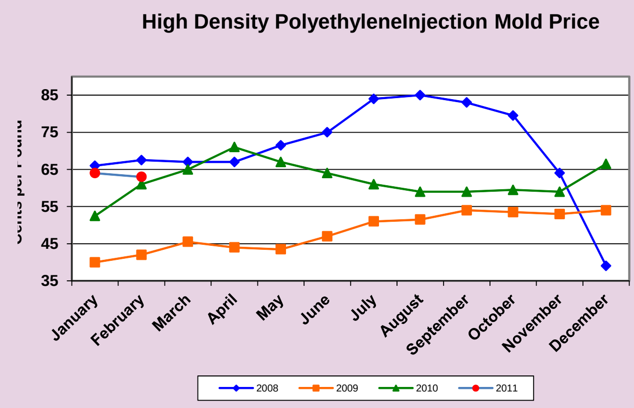
Entegra's PACTIV tray, plastic and foams price as of January 2011 were, on average, 6% higher than last year. Price increases are expected over the next several months before declining over the remaining year. Handguard gloves are 13% higher than last year as of January 2011. Solo prices are 20% higher for the same period of time.

China continues to expand its capacity for producing containerboard; Nine Dragons Paper, the largest buyer of U.S. recovered paper, is set to overtake International Paper as the world's largest producer. With the increase in capacity there is not much certainty about when Old Corrugated Cartons (OCC) pricing will decline.

There is a lot of uncertainty on what recovered fiber paper prices are going to do in 2011 according to Resource Information Systems Inc. (RISI). The expectation is that unbleached grades (OCC / mixed paper) will continue to remain high due to export demand from China. Decreasing prices for hardwood pulp as new supply outpaces demand will help ease pricing pressure on high grade recovered fiber but not enough to compensate for new demand. As for recovered fiber paper, demand for fiber from China is expected to drive prices upward in the first and second quarters of 2011. In turn the pressure will likely lead to increased prices for paper products such as towels, tissues and napkins entering the second and third quarters of 2011. **Entegra's Georgia Pacific towel prices were 12% in January 2011 compared to last year. SCA napkins were 12% higher for the same time period. Prices look to remain firm for much of 2011.**

Sources: Chem Data Monthly Petro-Chemicals, Plastics Analysis, CRU Price Risk Management, RISI





Stainless Steel

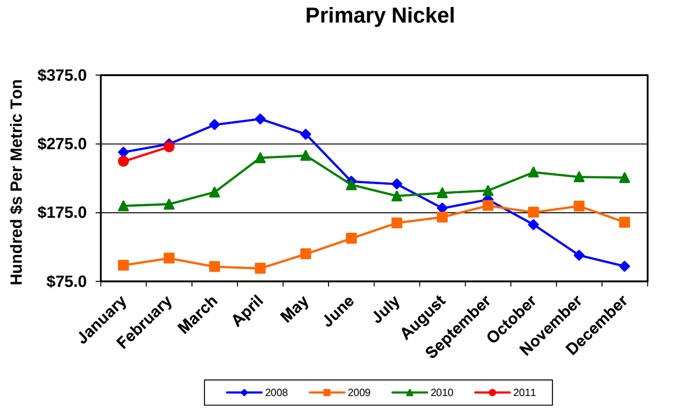
The Chinese stainless steel market remains somewhat stable. Increased consumer demand continues to drive the market higher with a 2% increase since the fourth quarter of 2010. Demand for Chinese finished steel goods has increased enough to mandate the need to re-open factories that have been closed for over a year. Factories that are open continue to experience significant worker unrest related to poor conditions and wages. These factories have now begun to raise wages and benefits to ensure a stable work force. This unrest and increased demand has begun to result in price increases from 3 to 6% on finished Chinese stainless goods.

Natural Gas pricing has increased since the last report due to a colder than expected winter contributing to the price increases. Increased costs of diesel fuel will contribute to higher shipping costs on imported goods and domestic shipping of domestic rolled stainless to equipment manufacturers. A 3% increase in the trucking cost index can be contributed to the increased cost in fuel.

As previously predicted, entegra's domestic manufacturers of stainless smallwares are raising prices from 5 to 6% for 2011. Domestic stainless steel sheet is 6% higher than the last report. Domestic stainless is used primarily in U.S. kitchen equipment factories but some domestic smallwares companies use U.S. stainless sheet when the price disparity to China is close because of reduced shipping costs to obtain the raw materials.

IMCO, entegra's preferred supplier for "Don" label Windsor and Dominion tableware has pricing locked through June 2011. It is unlikely that they will be able to avoid a price increase during the second half of 2011. Competing manufacturers are announcing as much as a 7% price increase for 2011.

Sources: Propurchaser.com, Edward Don's Import Division Manager, London Metals Exchange



Aluminum

The worldwide aluminum market continues to rebound. U.S. and Chinese Aluminum are both up an additional 6% in January 2011 compared to the previous month totally due to consumer demand. For January 2011 petroleum prices, a major component in production costs were 12% higher than October 2010 and are expected to rise as the industry rebounds from the recession. Chinese labor unrest continues to increase forcing Chinese manufacturers to continue to increase pricing to cover the expense. Shipping costs continue to increase as demonstrated by another 10% increase in diesel fuel and the resulting increase in the trucking cost index.

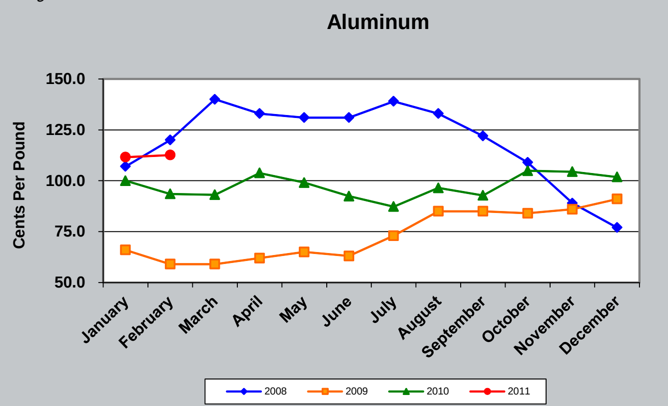
The Chinese Yuan remains flat to the U.S. dollar and currently is not a major factor in finished goods pricing. There is tremendous pressure on China to increase the value of the Yuan to the dollar to make Chinese produced goods pricing more comparable to U.S. produced product. Current manufacturer inventories are at 4.4 million metric tons which is slightly higher than the fourth quarter of 2010.

Entegra's preferred manufacturers of aluminum finished goods continue to announce price increases for 2011 from 3 to 6% as discussed in the last issue of The Indicator.

Performance Interiors, entegra's Capital Equipment Program, experienced an increase in equipment purchases during the previous year. This increase in volume has enabled entegra to negotiate increased discounts off of list pricing for 2011. The new negotiated discounts should help offset the list price increases expected from our contracted manufacturers.

IMCO, the importer for "Don" label Chinese aluminum smallwares, continues to be the best value in finished aluminum smallwares for entegra. Unfortunately, due to petroleum prices and consumer demand, IMCO will increase pricing 4 to 5% on select items in the first quarter if 2011.

Sources: Propurchaser.com, Edward Don's Import Division Manager, London Metals Exchange



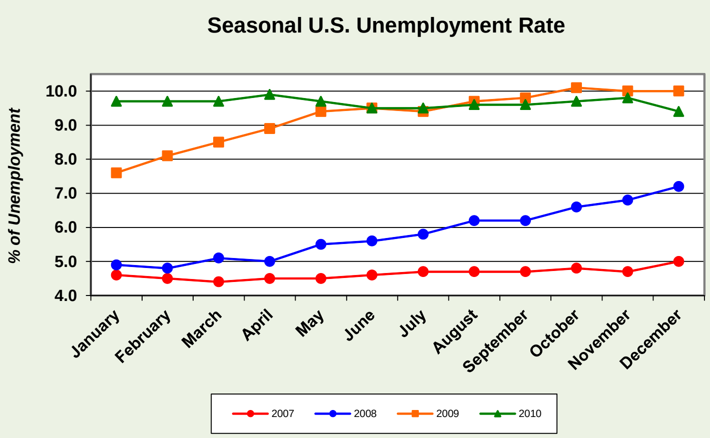
Labor Report

Reporting the most optimistic hiring expectations in more than two years, U.S. employers anticipate small staffing gains for the first quarter of 2011 per the Manpower Employment Outlook Survey. The survey also reported five straight quarters of employment growth and widespread stability in the job market.

Unemployment rates dropped to 9.4% in December 2010 as employers added 103,000 workers. This measure also reflects that fewer people (260,000) were looking for work versus seeing a large number of new jobs created. The unemployment rate is expected to remain elevated throughout 2011. The average hourly wages reached $19.21 last month, 1.9% above last year.

Demand for temporary workers in the United States is expected to increase 20.3% on a seasonally adjusted basis for the first quarter of 2011 when compared with the same period in 2010 according to the Palmer Forecast™. The Bureau of Labor Statistics (BLS) reported that seasonally adjusted temp jobs grew 16.4% year-over-year in December 2010, while creating nearly 16,000 new jobs. Temp job growth, seasonally adjusted, was down .4% sequentially from November 2010.

Source: Manpower Employment Outlook Survey, Department of Labor, G. Palmer & Associates



Linen Report

Cotton crops in Pakistan and China have been severely damaged by weather conditions. The estimated shortfall is 18 million bales or about 15% of the global production. This amount is equal to the entire U.S. crop for one year. World cotton stocks are at their lowest levels in decades, prompting shortages at the spinner level. The yarn spinning capacity that left the system in the 2008-09 worldwide down turn has not recovered and may take several years to rebound and meet consumer demand. Consumer demand in emerging markets is surging, at a time of severely restricted supply, creating record prices for cotton and polyester.

Raw material prices are at historical record levels. Current market prices for cotton are the highest since post-Civil War reconstruction. Supply contractions have not abated adding to the upward trends on the cost of yarns, fibers and finished products. Cotton prices are expected to remain exorbitantly high for the remainder of 2011. U.S. January 2011 prices were on par with global quotes in the greater than $1.70 per pound range, over 120% of 2010 levels. Polyester and other oil based products have continued to increase in price due to their use as a substitute for cotton in spinning and the trend of oil prices. The evidence suggests that oil will increase steadily due to rising global demands.

Entegra's internal linen pricing is below the market's current pricing levels . Entegra is experiencing cost increases reflecting the higher cost of cotton and yarns however, because of where the base price was initially established, unit costs remain below market. There has been a movement to rationalize and standardize SKUs that entegra purchases that to allow for a greater concentration of purchasing power on specific products. This will help keep entegra prices as low as possible.

The institutional textile industry is in a crisis mode, one that we have never seen before because of the cotton shortages and price escalation. 2011 will be marked by continued high costs, product shortages and supplier bankruptcies and defaults. Reliability and product availability will be the mantra in 2011.

Source: Standard Textile