

Program Updates: Effective March 1, 2013

Food and Related Supplies Pricing Changes

Mondelez International (formerly Kraft Snacks) (Cookies and Crackers; Chocolate; Gum and Candy)

Category Increase +2-5%

The increase is 2-5% depending on the item and is due to rising raw commodity costs.

Otis Spunkmeyer, Inc. (Bake-Up Brownies) **Price Increase on brownies +\$3 per 104 ct. case**

Due to overwhelming operator feedback, Otis Spunkmeyer is going to include baking cups in the case of brownies, which is increasing the production cost of the brownies. This change will impact the Arriba Chocolate Brownie (no nuts) immediately. The Arriba Chocolate Brownie will be available both with and without the cups. As existing inventory of brownies packed without baking cups is depleted, it will be completely replaced with brownies packed with baking cups. The code numbers won't change. *The Chocolate Walnut Brownie will be available only with the baking cups.*

Sea Watch (Clams) **Price Increase on frozen clams +\$4 per case**

This pricing adjustment is mainly due to increased operating costs such as fuel.

Stapleton Spence Packing Company (Prunes and Raisins) **Category Increase +2-5%**

Like many California crops, the cost of prunes (dried plums) is increasing. Growers are shifting their prune orchards to other crops and planting either walnuts or almonds because they both provide a significantly greater return per acre. This makes field prices very competitive. China is buying prunes that have been traditionally used for juice at a price almost twice their traditional juice value.

Regional Bakery

- Nickels Bakery **Average Increase +5%** - (effective March 1, 2013)
- Masada Baking **Average Increase +4%** - (effective March 1, 2013)
- Midstate Bakery Distributors, Inc. **Price Increase on two SKUs Only** - (effective March 1, 2013)
 - o English Muffins **Average Increase +8%**
 - o 100% Whole Wheat English Muffins **Average Increase +10%**
- Klosterman's **Average Increase +4%** - (effective March 4, 2013)

Regional Bakery pricing adjustments are a result of increased wheat and flour costs.

Commodity Driven Contracts

The contracts below are formula-based, reflect the markets and change monthly or quarterly. We will not always provide an explanation for pricing changes, as the pricing of these programs continually ebbs and flows with the markets. A yearlong snapshot of pricing gives the most appropriate view of the benefits associated with entegra's negotiated pricing, and the monthly pricing reflected does not portray the full year benefit. However, we do want to keep you informed so you can make menu and pricing adjustments as appropriate for your facilities.

Ground Beef

Cargill - Category Increase +2.7%

Pricing is expected to continue to rise as the smallest cattle herd in the U.S. in over 50 years impacts inventories while global demand continues to be strong.

Cheese Updates

- **Schreiber Foods, Inc.** (Processed Cheese) **Category Decrease -3.48%**
- **Great Lakes** (Natural Cheese) **Category Decrease -2.53%**

The decrease in Schreiber is due to the fact that cow numbers are up and cheese and butter inventories are high. Until warmer temperatures set in and the grilling season arrives, demand will be lower.

Darling International (Kitchen Grease Pick Up Service)

The Jacobson Index average for the last 30 days did not meet the threshold to trigger the monthly fee. This means that Darling and Darling Sub-Contractors will pick up waste oil at locations during this month at NO CHARGE.

Farmland Foods

- Raw & Cooked Bacon: **Category Flat to slightly down**
- Breakfast Sausage: **Category Flat to slightly down**
- Ham & Deli Meats: **Category Increase +3.4%**

Ham & Deli Meats: **Category Increase +0.4%**

- Fabricated Pork (i.e. Chops & Tenderloins): **Category Increase +2.6%**
- Hot Dogs, Sausage & Pizza Toppings: **Category Flat to slightly down**
- Fresh Pork: **Category Flat to slightly up**

Recent bans on U.S. exports into Russia, as well as China putting restrictions on U.S. exports, have put downward pressure on pork futures. Higher hog weights and lower exports are keeping pricing steady. Demand for hams and fabricated products are increasing as the Easter holiday season nears.

Koch Foods

- Bone in Breaded: **No Change**
- Bone in Raw: **No Change**
- Breaded Boneless Breast: **Category Increase +0.53%**
- Breaded Nuggets and Patties: **No Change**
- Raw Boneless: **Category Increase +0.02%**
- Pulled, Diced and Cooked Strips: **Category Increase +0.15%**
- Breaded Strips: **Category Increase +0.40%**
- Cooked Unbreaded Breasts and Patties: **Category Increase +0.42%**
- Wings: **No Change**
- CVP: **Category Increase +0.26%**

Kraft Foods (Cream Cheese) **Category Decrease -5.7%**

The decrease in pricing for March is due to falling dairy prices.

Ventura Foods (Bulk Margarine) **Category Increase +0.84%**

Ventura Foods (Oil, Shortening) **Category Increase +0.02%**