

## Program Updates: Effective December 1, 2013

### Food and Related Supplies Pricing Changes

#### Coffee

– **Starbucks - Category Increase +5%**

This increase is associated with equipment, service and increased production costs.

– **Seattle's Best - Category Decrease -11%**

This decrease is part of the re-positioning of the Seattle's Best Coffee brand.

**Sun Rich Fresh Foods** (Value added fresh fruit packed dry, grape juice & natural juice) **Category Increase +3% or less**

The drivers of this increase are freight, packaging and raw ingredient costs. Weather impacted the size and quality of many crops used in these products driving key market indices to increase tremendously (Grapefruit 17%, Cantaloupe 22%, Honeydew 16%). However, we have negotiated a pricing adjustment of no more than 3% -- some items are less than 3%.

#### Regional Bakery

– **S&S Bakery – Average Increase +7%**

– **Giuliano's – Average Increase +7%**

Regional Bakery pricing adjustments are a result of changes in wheat, flour, diesel, packaging and labor costs.

#### Berry Can Liners Category Increase +3.3%

Berry can liner prices are heavily impacted by resins for which costs have increased over the past three months for the butene, hexene and high density polyethylene -- resins used in the different liner products.

#### Cheese Updates

– **Schreiber Foods, Inc.** (Processed Cheese) **Category Increase +2%**

– **Great Lakes** (Natural Cheese) **Category Increase +1.6%**

Domestic cheese demand is reaching its peak and converters are stocking up and packaging for the Thanksgiving holiday. Demand is strong and supplies are tight as exports are continuing to affect supply. Forecasters predict that the market will have peaked in mid-November and then start to decline as the year end approaches.

**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.

**Fair Oaks Farms Breakfast Sausage Increase +4.1% Trim**

*For GFS and Sysco's Minn, E.Wisc, Baraboo, & Iowa only.*

Trim was down last month and this is a market adjustment. It should decrease through the season.

**Farmland Foods**

– Raw & Cooked Bacon: **Category Decrease -7.0%**

– Breakfast Sausage & Whole Hog Sausage: **Category Decrease -4.5%**

– Ham & Deli Meats: **Category Increase +3.0%**

– Fabricated Pork (i.e. Chops & Tenderloins): **Category Decrease -2.4%**

– Hot Dogs, Sausage, & Pizza Toppings: **Category Decrease -1.9%**

– Fresh Pork(Ribs): **Category Flat to slightly down**

Belly (source of Bacon) stocks are in good supply and seasonal

demand is trailing off. Ham is gearing up for increased demand heading into the holiday season. Trim (source of Sausage Hot Dogs & Pizza Toppings) came down drastically in October, bounced back somewhat in November, and as expected, the seasonal down trend looks to be continuing into winter. In general, hog slaughter is unexpectedly down with some tightness in supply. Continued speculation persists around reduction in supply as the PED virus is becoming more prevalent, however the real impact from the PED virus will occur in spring when the lost head count would have matured, gone to slaughter and entered into freezer stocks and supply.

#### **Koch Foods (price to come)**

- Bone in Breaded: **No Change**
- Bone in Raw: **No Change**
- Breaded Boneless Breast: **Category Decrease -1.6%**
- Breaded Nuggets and Patties: **No Change**
- Raw Boneless: **Category Decrease -2.7%**
- Pulled, Diced and Cooked Strips: **Category Decrease -0.5%**
- Breaded Strips: **Category Decrease -4%**
- Cooked Unbreaded Breasts and Patties **Category Decrease -1.3%**
- Wings: **Category Decrease -3.5%**
- CVP: **Category Decrease -4.6%**

Cream Cheese **Category Increase +2.4%**

**Slade Gorton** (Haddock and Salmon) **Category Increase + 7%**

The Haddock pricing adjustment is due to lower catches than anticipated. The salmon market has been quite volatile for a few months due to limited supply; however this is the first increase that has affected our pricing in several months.

Ventura Foods (Bulk Margarine)	Category Decrease -0.5%
Ventura Foods (Oil, Shortening)	Category Decrease -1.4%