

## Program & Commodity Pricing Updates

**Effective December 1, 2015**

*Confidential Information*

### Berry Plastics

- Trash Can Liners: **Decrease -5.5%**

Berry can liner prices are heavily impacted by resins. Costs have decreased over the past three months for the butene, hexene and high density polyethylene resins used in these products.

### ConAgra Snack and Popcorn Group

- C-Store Snack Items: **Increase +3.3%**

Due to the scarcity of truck drivers, transportation costs have increased. This, in addition to increased production costs on several items, has prompted the category to experience an average rise in pricing.

### J & J Snacks

- Ready To Bake Frozen Snacks (Soft Pretzels, Funnel Cakes, Churros): **Increase +3%**

Because these products are frozen and have a longer production timeline, the ingredient formula pricing is just now realizing the impact of higher egg costs in their product lines. In addition, there are higher manufacturing costs (flour, butter, labor, transportation, corrugated boxes).

### Ventura

- Bulk Salad Dressings (Newman's, Hidden Valley, Marie's): **Slight Decrease**
- Mayonnaises: **Decrease -3.5%**

Ventura's contract allows for a formula-based pricing structure which takes commodity pricing into account. Due to the ongoing cost fluctuations of eggs in the aftermath of this summer's Avian Flu crisis, manufacturers with short production timelines and whose products contain egg ingredients are beginning to lower their pricing.

### 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.*

### Cheese & Dairy

- Schreiber Cheeses: **Slight Increase**
- Great Lakes Cheeses: **Slight Increase**

### Beef | Cargill

- Ground Beef: **Decrease -2.7%**
- Whole Muscle Cuts - Pot Roasts, Roast Beef and Stew Meat: **Decrease -2%**

### Pork

#### Fair Oaks Farms

- Breakfast Sausage (Minn, E.Wisc, Baraboo, & Iowa only): **Increase +2%**

#### Farmland Foods

- Raw Bacon: **Category Decrease -9.97%**
- Cooked Bacon: **Category Decrease -6.90%**
- Pure Pork Breakfast Sausage: **Category Decrease -2.73%**
- Ham & Deli Meats: **Category Slight Decrease**
- Fabricated Pork (i.e. Chops & Tenderloins): **Category Decrease -3.31%**

**Commodity Driven Contracts Continued...**

- Hot Dogs, Sausage, & Pizza Toppings: **Category Slight Decrease**

There is an increase in domestic pork inventory as well as an abundance of trim. This has led to a decrease in pricing in processed port products.

- Whole Hog Breakfast Sausage: **Category Increase +4.45%**

Producers are retaining sows for the upcoming breeding/farrowing season, resulting in fewer whole hogs coming to market. At the same time, demand is remaining the same.

- Fresh Pork (Ribs): **Category Increase +6.17%**

Ribs are "booked" in advance per annual orders. Customers are wrapping up their advance "orders" for the year and the supply is tight in order to meet those orders.

**Poultry**
**Jennie-O Foods, Inc.**

- Turkey Products: **No Change**

**Koch Foods**

- Bone in Breaded: **No Change**
- Breaded Boneless Breast: **No Change**
- Breaded Nuggets and Patties: **No Change**
- Raw Boneless: **No Change**
- Tenders: **Category Decrease -3%**
- Breaded Strips: **No Change**
- Cooked Unbreaded Breasts and Patties: **Category Decrease -3.8%**
- Wings: **Category Decrease -3%**
- CVP: **No Change**

Overall supply to the market is up as live bird weights are heavier than normal. This is a result of good weather and low feed costs. Additionally, export markets are still down.

**Seafood**
**Slade Gorton**

- Flounder: **Category Decrease -5%**

The season for flounder is beginning, resulting in an abundance of supply.

**Oils**
**Ventura Foods**

- Bulk Margarine: **Slight Decrease**
- Oil, Shortening: **Slight Decrease**

**Darling International**

- Kitchen Grease Pick Up Service: **No Charge**

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.

To enroll in the Source1-Entegra Program with Darling International please contact your Source1 account support team at:

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