

Program & Commodity Pricing Updates
Effective October 1, 2014
Confidential Information

Airgas

- Cylinder gases (CO2, Helium, Nitrogen, Oxygen) and cylinder rental **Category Increase +5.2%**

Increase is due to shortage of Helium, leading to higher raw material costs.

To enroll in the Source1-Entegra Program with Airgas please contact your Source 1 account support team at:

ClientServices@Source1Purchasing.com

Boghosian Raisin Packing Company

- Golden Raisins **Category Decrease -9%**

Entegra has worked closely with this supplier partner to negotiate a pricing decrease on Golden Raisins.

ConAgra Food Packaged Foods Co

- Tomato - Canned Ketchup & Pizza Sauce **Category Increase +2% to +5%**
- Tomato - Canned Tomato Products **Category Increase +2% to +5%**

Price increases are due to a substantial California Tomato Growers Association increase of 17.7% affecting labor costs and, to a lesser degree, rising transportation 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.

Cheese & Dairy

- Schreiber Foods, Inc. (Processed Cheese) **Category Increase +9%**

Price increase is due to stronger US exports and a two-year history of weak milk output in the Midwestern states.

- National Pasteurized Egg LLC (Pasteurized Shell Eggs) **Category Increase +6%**

The key marketing index for eggs (Urner Barry) is at historic highs. Prices have risen due to changes in housing regulations for egg producing hens in certain states. Predictions are for much higher prices and supply shortages.

- Michael Foods Egg Products **Category Decrease - 3.3%**

The cost of grain has decreased in the past three months.

Cargill Beef

- Ground Beef **Category Increase +6%**
- Whole Muscle Cuts **Category Increase +16%**

Grain pricing and good pasture conditions have ranchers retaining as many animals as possible in order to rebuild herd populations. Lower slaughter numbers are putting pressure on near term supply while both foreign and domestic demand remains strong.

Additionally, an unseasonal spike in raw materials for Whole Muscle Cuts occurred in August, adding further impetus for record high prices that were already expected for October.

Commodity Driven Contracts Continued...

Pork	
Fair Oaks Farms	
▪ Breakfast Sausage (Sysco's Minn, E. Wisc, Baraboo, & Iowa only)	Category Decrease -7.7%
Farmland Foods	
▪ Raw & Cooked Bacon	Category Decrease -12.1%
▪ Breakfast Sausage & Whole Hog Sausage	Category Decrease -13.7%
▪ Ham & Deli Meats	Category Decrease -8.9%
▪ Fabricated Pork(i.e. Chops & Tenderloins)	Category Decrease -5.8%
▪ Hot Dogs, Sausage, & Pizza Toppings	Category Decrease -12.4%
▪ Fresh Pork (Ribs)	Category Decrease -8.7%
Packers and producers are digging into freezer stocks and seeing heavier hogs come to processing, which is temporarily relieving the market's tight supply. The Russian ban on US pork has allowed for more domestic supply until policy changes. Harvest has been down from a year ago, so supplies may tighten again soon. Expect continued volatility through the coming months.	
Poultry	
Jennie-O Foods, Inc.	
▪ Turkey Products	No Change
Koch Foods	
▪ Bone in Breaded	No Change
▪ Bone in Raw	No Change
▪ Breaded Boneless Breast	No Change
▪ Breaded Nuggets and Patties	No Change
▪ Raw Boneless	Slight Increase
▪ Pulled, Diced and Cooked Strips	No Change
▪ Breaded Strips	No Change
▪ Cooked Unbreaded Breasts and Patties	No Change
▪ Wings	Slight Increase
▪ CVP	Slight Increase
Ventura Foods	
▪ Bulk Margarine	No Change
▪ Oil, Shortening	Category Decrease -3.1%
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 Source 1 account support team at: ClientServices@Source1Purchasing.com	