

**Program & Price Updates: Effective August 1, 2013**

**Fair Oaks Farms, LLC**

- Breakfast Sausage

**Category Increase +10.6%**

Trim (raw materials for sausages and other ground pork products) markets continue to increase due to lower slaughter levels and inventory decreasing.

**Karcher Floor Care**

- Windsor

**Average Increase +2.8%**

The price change is due to increases for both raw and finished goods from China, Germany and Mexico. There were also increases in fuel surcharges, polyethylene costs, stainless steel costs, hot rolled steel costs, cold rolled steel costs, along with internal costs such as labor and healthcare.

**Michael Foods, Inc.**

- Egg Products

**Category Flat**

In a recent evaluation of the Michaels' contract, we identified changes to the product assortment of items purchased by entegra. Adjustments were made to pricing based on these findings resulting in a net neutral impact to entegra.

**SCA Tissue**

- Recycled Content Napkins, Towel and Tissue

**Average Category Decrease -10.1%**

SCA prices are directly impacted by raw material prices for bleached and unbleached recovered fiber paper, as well as by freight, energy and processing costs. While the non-raw material cost drivers have remained relatively flat, there have been significant decreases in the cost of recovered fiber in both bleached and unbleached grades over the past nine months. The price decrease is a result of these reductions in raw material costs.

**Slade Gorton and Co, Inc. (Shallow-Skinned Tilapia)**

**Average Increase:**

12724	3/5oz Tilapia, CO-Treated Shallow-Skinned IQF*	<b>+10.07%</b>
12816	5/7oz Tilapia, CO-Treated Shallow-Skinned IQF	<b>+6.47%</b>
12823	7/9oz Tilapia, CO-Treated Shallow Skinned IQF	<b>+6.94%</b>
12819	3/5oz Tilapia, CO-Treated Shallow-Skinned IVP**	<b>+19.41%</b>
12821	5/7oz Tilapia, CO-Treated Shallow-Skinned IVP	<b>+5.65%</b>
12824	7/9oz Tilapia, CO-Treated Shallow Skinned IVP	<b>+10.07%</b>
	*Individually Quick Frozen (frozen, loose, bulk)	
	**Individually Vacuum Packed ((frozen, loose, bulk, individual plastic sealed on each piece)	

The tilapia market has been trending higher in recent months. The farmers have reduced production by 30% to drive the market higher. They have replaced tilapia with shrimp for a better return on investment. Asia has had a rainy growing season that has affected growth rates. 7-9 oz. fillets are extremely difficult to source. This higher pricing will hold firm through December, with some price relief by January.

**Commodity Driven Contracts**

*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.*

**Cargill** **Category flat to slightly down -1.5%**  
Higher pricing for steaks and whole muscle meats at the grocery store and reduced foreign demand have tempered the typical increased demand associated with summer grilling season therefore increasing supply leading to lower foodservice pricing.

**Cheese Updates**

- **Schreiber Foods, Inc.** (Processed Cheese) **Category Decrease -1.28%**
- **Great Lakes** (Natural Cheese) **Category Decrease -1.2%**

There are signs of more cheese coming to the Chicago Mercantile Exchange (CME) and forcing prices lower. The May USDA cold storage report showed significant increases in both cheese and butter inventories. The cheese inventory is at a record high. With the inventory growth seen in May and probably in June, many feel international demand has slowed down as the second quarter draws to an end. U.S. milk production was higher in May 2013, posting at 0.8%.

**Darling International** **No Charge**  
**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**

- Raw & Cooked Bacon **Category Decrease -3.7%**
- Breakfast Sausage **Category Increase +8.6%**
- Ham & Deli Meats **Category Increase +11.4%**
- Fabricated Pork (ie Chops & Tenderloins) **Category Flat**
- Hot Dogs, Sausage, & Pizza Toppings **Category Increase +9.6%**
- Fresh Pork **Category Increase +4.9%**

Bacon demand has finally pulled back to some degree after pricing has been at all-time high, although belly (source of bacon) inventories are still low so support for continued high bacon prices is expected to continue at least throughout the summer. Hams have surged higher since early/mid-June on increased export demand from Mexico and China. Fabricated and fresh pork are still going strong due to increased demand during grilling season. Trim (raw materials for sausages and other ground pork products) markets continue to rally due to lower slaughter levels and inventory decreasing.

**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 **Category Decrease -0.15%**
- Pulled, Diced and Cooked Strips **No Change**
- Breaded Strips **No Change**
- Cooked Unbreaded Breasts and Patties **No Change**
- Wings **No Change**
- CVP **Category Decrease -5.53%**

**Ventura Foods**

- Bulk Margarine **Category Decrease -0.53%**
- Oil, Shortening **Category Increase -1.21%**