

Program & Commodity Pricing Updates

Effective February 1, 2014

Confidential Information

Raisins (Bulk packed raisins 30 lb & 10lb)

- Boghosian Raisin Packing Company **Category Decrease -5 to -6%**
- Stapleton Spence Packing Company **Category Decrease -5 to -6%**

Boghosian and Stapleton Spence are offering a 120 day promotion in which customers will receive this pricing decrease.

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 Updates

- Schreiber Foods, Inc. (Processed Cheese) **Category Increase +5.5%**
- Great Lakes (Natural Cheese) **Category Increase +6.8%**

In general, demand both domestically and internationally has been very good and exports are driving pricing upward. US milk production is down primarily in the main cheese making states and international milk is being diverted from cheese to non-fat dried milk to meet Chinese powder demands. The international markets continue to have heavy influence on US dairy. In addition, US exports are still well above 2012 levels.

Contessa

Category Increase +15%

Prices for shrimp continue to increase due to a worldwide shrimp shortage, mainly because of production losses in Thailand. These losses are a result of Early Mortality Syndrome, a disease that is characterized by mass mortalities during the first 20 to 30 days of culture in grow-out ponds. While pricing is expected to remain high in 2014, there are mixed predictions on recovery. Facilities are recommend to not use shrimp at this time unless necessary.

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 Shoes for Crews please contact your JQH account support team at:

JQH@Source1Purchasing.com

Farmland Foods

- Raw & Cooked Bacon **Category Decrease -7.1%**
- Breakfast Sausage & Whole Hog Sausage **Category Flat**
- Ham & Deli Meats **Category Decrease -8.3%**
- Fabricated Pork (i.e. Chops & Tenderloins) **Category Increase +3.0%**
- Hot Dogs, Sausage, & Pizza Toppings **Category Flat to slightly up**
- Fresh Pork (Ribs) **Category Increase +5.0%**

Pork supplies in general are up significantly due primarily to increased carcass weights. Seasonal drop in demand coupled with continued ample supply has pricing flat or down this month for most of the sub categories especially Bacon, Ham and Deli Meats. Fabricated and fresh pork are seeing increased demand in reaction to increased beef pricing. Continued speculation persists around reduction in supply due the PED virus, although the increase in incidences has subsided for the time being. (PED is a digestive condition that causes piglet mortality therefore impacting the hog population and pork supply.) 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.

[Read more about the PED Virus.](#)

Commodity Driven Contracts Continued...

Koch Foods

▪ Bone in Breaded	No Change
▪ Bone in Raw	Category Decrease -6.8%
▪ Breaded Boneless Breast	Category Decrease -6.9%
▪ Breaded Nuggets and Patties	Category Decrease -6.0%
▪ Raw Boneless	Category Decrease -3.0%
▪ Pulled, Diced and Cooked Strips	No Change
▪ Breaded Strips	No Change
▪ Cooked Unbreaded Breasts and Patties	Category Decrease -6.5%
▪ Wings	Category Decrease -4.3%
▪ CVP	No Change

The 4% overall decrease for Koch this month is not due to typical monthly price fluctuations but rather, the costs have been decreased based solely on corn (feed) costs.

Slade Gorton

▪ Haddock Fillets	Category Increase +15%
▪ Tilapia	Category Increase +10%

Haddock is increasing due to quota decreases in the Barents Sea and the Icelandic fishery (where much of the Haddock is caught/produced). The quotas limit the amount of Haddock that can be caught – and the quota decrease in the Barents Sea is 10.75% reducing overall supply and driving prices up.

Increased pricing for Tilapia is a result of production dropping and feed costs rising. In addition, a cool rainy growing season in 2013 resulted in a 14% decrease of yield per farm.

Ventura Foods

▪ Bulk Margarine	Category Decrease -2.3%
▪ Oil, Shortening	Category Decrease -3.5%