

Program & Commodity Pricing Updates
Effective October 1, 2016
Confidential Information

JM Smuckers

- Liquid Coffees (Douwe Egberts and Folgers): **Increase +2.4%**

There have been increases in the Commodity Green Coffee market due to a smaller than expected crop in Brazil. This increase is reflected in our formula-based pricing agreement with JM Smuckers.

Nestle Professional Beverages

- Shelf Stable Juices: **Increase +2%**

In the past year, frozen concentrate orange juice prices have increased by 57% and cranberry prices have increased by 17% due world-wide weather events. We have been able to keep our prices relatively stable in light of these supply issues, but are likely to see more slight increases in the coming months.

McCain Foods

- Frozen Potato Products (French Fries, Hash Browns, Formed): **Increase +4.2%**

The frozen potato market has grown 4.2% in the last 12 months resulting in industry-wide tightness of supply. Recent increases in operational expenses and infrastructure investment have also contributed an increase in 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 Foods, Inc.

- Processed Cheese: **Slight Decrease**

Great Lakes

- Natural Cheese: **Slight Decrease**

Michael Foods, Inc. (Papetti's)

- Egg Products: **Slight Decrease**

Beef | Cargill

- Ground Beef: **Decrease -2%**
- Whole Muscle Cuts - Pot Roasts, Roast Beef and Stew Meat: **Decrease -3%**

It is typical in the autumn months for dairy ranchers to cull herds ahead of winter, creating a higher supply of meat coming to the market.

Pork | Farmland Foods

- Raw & Cooked Bacon: **Decrease -5%**
- Pure Pork Breakfast Sausage: **Decrease -8.25%**
- Hot Dogs, Sausage, Pizza Toppings and Deli Meats: **Decrease -11%**

Bellies are being released from freezer inventories and there is also an abundance of pork trim flooding the market. Expect this trend to continue at a slower pace through fall as hog production ramps up with cooler weather. This abundance of raw material is creating opportunities for competitive pricing.

- Whole Hog Breakfast Sausage: **Increase +3%**

Fall production is ramping up so sows are being kept instead of sent to market.

- Ham: **Increase +10%**

Seasonal demand is pushing ham markets up as packers prepare for holiday ham consumption.

- Fabricated Pork (i.e. Chops & Tenderloins): **Slight Decrease**
- Fresh Pork (Ribs): **No Change**

Commodity Driven Contracts Continued...

Poultry
Koch Foods

▪ Bone in Breaded:	Slight Decrease
▪ Breaded Boneless Breast:	Slight Decrease
▪ Breaded Nuggets and Patties:	Slight Decrease
▪ Raw Boneless:	Slight Decrease
▪ Pulled, Diced and Cooked Strips:	Slight Decrease
▪ Breaded Strips:	Slight Decrease
▪ Wings:	Slight Increase
▪ CVP:	Slight Decrease

Most chicken categories are trending downward slightly due to bird weights and seasonal temperatures. The chicken market is basically stable. While October is only showing an increase of less than 1% for wings, this will start the climb upward as we are into heavy sports season.

Seafood
Slade Gorton

▪ Domestic Catfish:	Increase +2%
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Supply tightened slightly this season, but pricing is expected to be steady in the coming months

▪ Calamari/Squid:	Increase +5%
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Current supply is very tight as a result of a poor catch season and higher demand.

Oils
Ventura Foods

▪ Bulk Margarine	Slight Increase
▪ Oil, Shortening	Slight Increase

Dar Pro (formerly Darling International)

▪ Kitchen Grease Pick Up Service:	No Charge
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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:

ClientServices@Source1Purchasing.com