

**Program & Commodity Price Updates**  
**Effective February 1, 2015**  
*Confidential Information*

**McCormick**

- Spices & Seasonings in all Brands **Category Increase +7.5%**

All spice brands, including Lawry's, McCulinary, Old Bay, Thai Kitchens, and Zatarains are being affected by poor yields, droughts, regulatory restrictions, government regulations and increased consumption in India and China. In particular, black pepper, the highest volume spice, experienced a vine disease just as demand has been rising. This created a price increase of 60% over the last two years. In addition, many farmers are switching from spices and herbs to more traditional crops such as Tapioca, palm oil and rubber.

**Reser's Fine Foods**

- Prepared Salads **Category Increase +3.5%**

General production costs have caused Reser to raise their prices.

**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 **Category Decrease -11%**
- Great Lakes **Category Decrease -3%**

Cheese and butter production continues to outstrip global demand. Chinese imports are significantly lower than last year. Strong milk production and uncompetitive spot prices in the global market are causing downward pressure on prices.

- Lactalis Domestic & Imported Cheese (Fresh Mozzarella) **Category Increase +13%**

Although cheese prices are currently falling, over the past year, the block and barrel prices rose over 25%. The cost of this fresh product did not change during that time. The current adjustment reflects the overall market trend in pricing as well as rising costs of packaging, labor and overhead.

**Beef**

**Cargill**

- Ground Beef **Category No Change**
- Whole Muscle Cuts (Pot Roasts, Roast Beef and Stew Meat) **Category No Change**

**Pork**

**Fair Oaks Farms**

- Cooked Sausage Patty (Sysco's Minn, E.Wisc, Baraboo, & Iowa only) **Category Decrease -3.3%**

**Farmland Foods**

- Raw & Cooked Bacon **Category Increase + 2.3%**
- Breakfast Sausage & Whole Hog Sausage **Category Decrease -3.8%**
- Ham & Deli Meats **Category Decrease -13.9%**
- Fabricated Pork (i.e. Chops & Tenderloins) **Category Decrease -2.7%**
- Hot Dogs, Sausage, & Pizza Toppings **Category Decrease -3.8%**
- Fresh Pork (Ribs) **No Change**

Pork supplies continue to improve with slaughter rates up from year ago. There is optimism that the supply situation will continue to improve and therefore continue to bring pricing relief and stability into the spring. Bacon pricing rebounded slightly from a large decrease. The pricing reductions are mostly seasonal, and should flatten out over the first few months of spring.

**Commodity Driven Contracts Continued...**

**Poultry**

**Koch Foods**

▪ Bone in Breaded	<b>No Change</b>
▪ Bone in Raw	<b>No Change</b>
▪ Breaded Boneless Breast	<b>No Change</b>
▪ Breaded Nuggets and Patties	<b>No Change</b>
▪ Raw Boneless (Tropicana Special Pricing)	<b>No Change</b>
▪ Pulled, Diced and Cooked Strips	<b>No Change</b>
▪ Breaded Strips	<b>No Change</b>

**Oils**

**Ventura Foods**

▪ Bulk Margarine	<b>Category Slight Decrease</b>
▪ Oil, Shortening	<b>Category Slight Decrease</b>