

Program & Commodity Price Updates

Effective June 1, 2014

Confidential Information

Azar Nut Company

- Peanut Butter

Category Decrease -5%

Last year, due to crop shortages the price of peanut butter skyrocketed. As a result, consumer demand declined. Pricing is now recovering with this current decrease as both crops and supply are increasing.

Kemps

- Ice Cream (3 Gallon Vanilla, 3 Gallon Chocolate, 3 Gallon Strawberry)

Category Increase +4.1%

This pricing adjustment is being driven by the increased costs in Class II Skim, Butterfat and Nonfat Dry Milk. Last year, due to crop shortages the price of peanut butter skyrocketed. As a result, consumer demand declined. Pricing is now recovering with this current decrease as both crops and supply are increasing.

Kraft

- Liquid Coffee

Category Increase +11%

This increase is in effect for the month of June after which time Maxwell House liquid coffee will no longer be contracted. This price increase is being driven by significant increases in the green coffee market.

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)
- Great Lakes (Natural Cheese)

Category Decrease 5.2%

Category Decrease -0.8%

Some of the recent pricing declines have come as a result of growing milk production and weakening prices outside the US. Also, the recent declines have now brought cheese prices down to a level where buyers feel more comfortable with owning product.

Farmland Foods

- Raw & Cooked Bacon
- Breakfast Sausage & Whole Hog Sausage
- Ham & Deli Meats
- Fabricated Pork (i.e. Loins, Butts, Chops & Tenderloins)
- Hot Dogs, Sausage, & Pizza Toppings
- Fresh Pork (Ribs)

Category Decrease -13.9%

Category Decrease -6.9%

Category Flat to slightly down

Category Decrease -2.7%

Category Decrease -6.0%

Category Decrease -3.1%

Bacon - Retailers have stopped placing bacon in ads as they have finally adjusted to every day pricing being up to account for increased costs. Higher costs have slowed down purchasing which has relieved some of the strain on bacon supply. When hog weights decrease from summer heat and supplies tighten from PED virus cases realized last fall/winter, expect prices to rise again. (PED is a digestive condition that causes piglet mortality therefore impacting the hog population and pork supply.)

Hams - Mexico is heavily importing hams to compensate for the recent spread of PEDv in their domestic herds. Typically, hams drop off around Easter and into early summer but Mexico is supporting higher steady prices.

Loins - Relaxed pricing is due to concerns over supply. This is leading to fewer retail ad features for holiday weekend and into summer grilling.

Overall, retail did not feature very many pork cuts, if any, going into the holiday weekend which has provided some relief on supply which in turn has put downward pressure on market prices. As the summer months heat up, hog weights will cease to increase at the rate recorded lately and prices will climb upwards. PED virus is still spreading while not as aggressively as it did in winter and spring months. That previous spread is now affecting total head counts as they come to market in August-October. Once supplies tighten, markets will adjust up.

Commodity Driven Contracts Continued...

Koch Foods

▪ Bone in Breaded	No Change
▪ Bone in Raw	Category Increase +2%
▪ Breaded Boneless Breast	No Change
▪ Breaded Nuggets and Patties	No Change
▪ Raw Boneless	Category Increase +6.8%
▪ Pulled, Diced and Cooked Strips	No Change
▪ Breaded Strips	No Change
▪ Cooked Unbreaded Breasts and Patties	No Change
▪ Wings	Category Decrease -0.3%
▪ CVP	Category Increase +3.2%

Koch Foods Boneless skinless breasts are up between 5 to 10%. This is due to decreased supply, a result of winter storms and lower chick placements. It is also a result of increased demand as consumers shift away from beef and pork due to historical high prices, to chicken.

Slade Gorton

▪ Breaded Shrimp	Category Increase +10%
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This is the first increase in breaded shrimp in over a year. Replacement costs for shrimp are still high due to Early Mortality Syndrome issues in farm raised products. In general, shrimp prices are expected to come down over the summer as the industry continues to grow capacity.

Ventura Foods

▪ Bulk Margarine	Category Increase +0.4%
▪ Oil, Shortening	Category Increase +0.8%