

Program & Commodity Price Updates
Effective January 1, 2017
Confidential Information

Georgia Pacific

- Dixie Dispensed Smartstock Cutlery and Food Wrap **Increase +3%**

Increases in polystyrene, polypropylene and other raw material led to an increase of our formula-based prices for this category.

- Towel Tissue **Increase +2.5%**

The costs for waste paper, utilities and processing have risen sharply in the past months and are reflected in our formula-based pricing.

Land O' Lakes

- Kozy Shack All Natural Puddings and Gelatins **Increase +3%**

Packaging, freight and warehousing costs have increased for this supplier in the past months.

Minute Maid

- Frozen Dispensed Juices **Increase 15%**

Current production of fresh orange juice is down by 45% from last year. Along with this production decrease, low yield has negatively impacted citrus fruit crops over the past two years. Since summer of 2016, the market rate has been over \$2.00. We were able to delay passing on these increases due to an early locked-in buy but will continue to purchase short as we look to align as the market price declines, which is likely to be April 2017.

Pactiv

- Tableware, Film and Foil **Increase +4%**

The primary raw materials and main cost drivers in Pactiv plates, bowls, containers, cutlery film, and foil are polystyrene, polypropylene PVC and aluminum. Pactiv prices are closely impacted by changes in raw materials, and after an extended downturn in resin prices and other materials, raw material prices have shifted resulting in a category increase.

SCA

- Paper Towel, Tissue and Napkins **Increase +7%**

The cost inputs for waste paper, utilities and processing have risen sharply in the past months and are reflected in our formula-based pricing.

Tropicana

- Single Serve Juices **Increase +2% to +6%**

Low yield has negatively impacted citrus fruit crops over the past two years, driving orange juice commodity market prices up.

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 **Increase +4%**

Holiday demand for processed cheeses was higher than normal this year. In addition, demand was high in retail foodservice along with stronger exports, which ultimately pulled the barrel price higher.

Great Lakes

- Cheddar and Mozzarella Cheese **No Change**
- Swiss Cheese **Increase +7%**

Swiss cheese must age 60 days, so the current price increase reflects the costs of Class III Milk in November. Milk at that time was significantly high. Prices of Swiss cheese will likely remain elevated until March.

Commodity Driven Contracts Continued...

Michael Foods, Inc. (Papetti's)
 ▪ Egg Products **Decrease +2%**
 Costs have decreased for corn and soybean, the main feed of egg –producing hens causing the market to also decrease slightly.

Beef
Cargill
 ▪ Ground Beef **Decrease -4.5%**
 ▪ Whole Muscle Cuts - Pot Roasts, Roast Beef and Stew Meat **Decrease -4.5%**
 Delays in winter weather are good for cattle as feed is more plentiful. Ranchers are now thinning herds before the colder months set in. We’ve been on a downward trend for many months; however, it is likely that current prices are the lowest that will be seen. Expectations are that supply will begin to tighten after January.

Pork
Farmland Foods
 ▪ Raw & Cooked Bacon **Decrease -4%**
 ▪ Pure Pork Breakfast Sausage **No Change**
 ▪ Whole Hog Breakfast Sausage **No Change**
 ▪ Deli Meats **No Change**
 ▪ Fabricated Pork (i.e. Chops & Tenderloins) **No Change**
 ▪ Hot Dogs, Sausage, & Pizza Toppings **No Change**
 ▪ Fresh Pork (Ribs) **No Change**
 ▪ Ham **Increase +7%**
 Most pork products are available in supply that is meeting demand. There are two anomalies: bacon and ham. Bacon has finally saturated the market, fulfilling the demand that has been rising since the beginning of 2016. Ham is now in the midst of holiday demand and is likely to remain at elevated pricing until after Easter.

Poultry
Jennie-O Foods, Inc.
 ▪ Turkey Products **No Change**
Koch Foods
 ▪ Bone in Breaded **No Change**
 ▪ Breaded Boneless Breast **No Change**
 ▪ Breaded Nuggets and Patties **No Change**
 ▪ Raw Boneless **No Change**
 ▪ Pulled, Diced and Cooked Strips **No Change**
 ▪ Breaded Strips **No Change**
 ▪ Cooked Unbreaded Breasts and Patties **No Change**
 ▪ Wings **Slight Increase**
 ▪ CVP **No Change**

Seafood
Slade Gordon
 ▪ Shrimp **Decrease -3% to -6%**
 Market prices for a variety of shrimp sizes increased by approximately 8%. A recent contract to rationalize our offerings to only five shrimp sizes has allowed us to offer shrimp at pricing lower than the average market pricing.

Oils
Ventura Foods
 ▪ Bulk Margarine **Slight Decrease**
 ▪ Oil, shortening **Slight Decrease**