

American Dawn Inc. (Health Care Linen and Patient Apparel)

Nearly a year ago, cotton prices started to climb to extreme highs. This was due in part to flooding in Pakistan and China's high demand. Now, as a result of the strong harvests, such as those in India, the cotton market has fallen, enabling entegra to negotiate a decrease with American Dawn. Decrease -10%

American Italian Pasta Company

This increase is being driven by wheat prices which have gone up 40% in the past year. Crop issues this past summer in the Dakotas and in Canada reduced the size of the harvest and recent price weakness has limited the amount of Durum being offered. As a result, most Durum wheat in North America is currently in commercial hands and continues to maintain its premium price level. Increase +6% to +8%

Basic American Foods (Dehydrated potatoes, beans, chili, casseroles, hash browns)

There has not been a pricing increase for this contract since 2008. Key contributing factors to this increase include reduced 2010 potato crops with lower yields, production costs and increases in packaging materials. Increase up to +6.2%

Pacific Coast Producers (Canned apricots, peaches, pears, fruit mix, fruit cocktail, canned pears)

Apricots	Increase +10% to +13%
Fruit Cocktail	Increase +8.5% to +9%
Peaches	Increase +12%
Pears (most items)	Increase +8.5% to +9%

This pricing is a result of crop issues due to weather. Pear, peach and apricot supplies were down and China, which imports these fruits to the U.S., has been consuming more of their own product. In addition, tin plate and fuel have increased 8% and 20% respectively.

Regional Bakeries

Golden Boy Pies Increase +3% to +4%
Golden Boy Pies will increase their pricing only on chocolate peanut butter pies. Peanuts have increased in price since farmers started to move their crops from peanuts to cotton (for profitability), bringing the supply down.

Slade Gordon (Catfish only)

This pricing decrease is a result of an influx of supply. Chinese catfish has just started coming into the U.S. supply. (Chinese catfish is the same species as domestic catfish.) Domestic suppliers are also meeting demand. While the supply and price appear to be stable through February, this is dependent on usage of Pangasius. Recently, many customers have been using Pangasius and if they switch back to catfish, supply and pricing will be greatly affected. Decrease -25%

Vitality Juices (Dispenser)

Frozen Juices No Change

Tyson Chicken

Tender press Chicken Breast No Change

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.

Beef

Cargill Whole Deli Roast Beef and Pot Roast	Increase +3%
Cargill Raw Processed Beef (Stew Beef, Cube Steaks, Kabob Meat & Julienne Strips)	Increase +2.5%
Cargill Ground Beef (Ground Beef Patties & Bulk, Meatloaf, Salisbury Steaks)	Increase +0.9%

Beef pricing continues to climb due to the downsizing of the U.S. Cattle Herds in conjunction with greater export demands. Beef prices are projected to average from 10% to 20% higher by the end of 2011 as compared to last year, according to the latest Consumer Price Index (CPI) for food. The USDA's Economic Research Service projects the trend will continue next year but at a slower pace with the 2012 CPI at 4.5% to 5.5%.

Cheese Updates

Schreiber Foods, Inc. (Processed Cheese)	Increase +3.4%
DCI (Natural Cheese)	Increase +4.3%

Cheese pricing has increased as a response to retail outlets starting holiday promotions causing high demand and lower inventories. Also, Mexico formally lifted tariffs on U.S. products that were in place since 2009. Mexico, the third-largest trading partner for the U.S., had imposed the tariffs after years of debating over a provision in the North American Free Trade Agreement that prevented Mexican long-haul trucks from entering into the U.S. With the tariff lifted, Mexico can transport cheese from the U.S. which decreases inventories further.

Farmland Foods

Raw & Cooked Bacon	Decrease -5.7%
Breakfast Sausage	Decrease -2.7%
Ham - Category	Decrease -5.2%
Fresh Pork	Increase +4.8%

General volatile market conditions have led to market adjustments from last month's high prices. Frozen Belly stocks (source of bacon) have recovered this month due to supply catching up with some consumer demand. As we move into winter months with an increase in holiday meals, seasonal demand is pushing up the prices of fresh pork.

Jennie-O Foods, Inc.

Turkey Products	No Change
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Koch Foods

Bone in Breaded	Increase +0.8%
Bone in Raw	Increase +0.5%
Breaded Boneless Breast	Increase +1.6%
Breaded Nuggets and Patties	No Change
Raw Boneless	Increase +0.8%
Pulled, Diced and Cooked Strips	Increase +0.4%
Breaded Tenders, Tenderloins, Popcorn, Strips	Increase +2.2%
Cooked Unbreaded Breasts and Patties	Increase +1.2%
Wings	Increase +0.8%
CVP	Increase +2%

Other Contracts

Kraft Foods (Cream Cheese)	Increase +6%
Ventura Dressings	No Change
Ventura Foods (Bulk Margarine)	Decrease -3.4%
Ventura Foods (Oil, Shortening)	Decrease -3.3%