

# Meal Plan Sub-Committee

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December 9, 2015

# Market Match Update

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## November 2015

A monthly snapshot of trends, statistics, and related reports to help improve product cost management.

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# Market Report –

## November 2015

A monthly snapshot of trends, statistics, and related reports to help improve product cost management.

# Aramark Market Basket of Food Service Products – November 2015



Product Class	Change from Prior Month	Change from Prior Year	Segment	Change from Prior Month	Change from Prior Year
Meats	-0.89%	-0.90%	Beef	-3.05%	-7.67%
Produce	+3.17%	+3.72%	Pork	+1.97%	-2.86%
Groceries	-1.21%	-0.17%	Poultry	-0.94%	+4.71%
Dairy	-0.03%	-1.86%	Fish & Seafood	-0.53%	-5.66%
Baked Goods	-0.02%	-0.27%	Fresh Vegetables	+3.02%	+6.31%
Beverages	+0.02%	+3.45%	Fresh Fruit	+10.54%	+4.43%
Paper	+1.25%	+1.72%	Dry Groceries	-0.13%	-0.19%
Cleaning	0.00%	+3.53%	Milk	-2.08%	-9.51%
Total Index	+0.18%	+0.65%	Cheese/Yogurt	+1.76%	-13.12%
			Butter/Margarine	-3.53%	+0.22%
			<b>Eggs</b>	-0.27%	<b>+41.10%</b>
			Fresh Bread	-0.05%	+1.09%
			Cold Beverages	0.00%	+3.16%
			Coffee	+0.06%	+2.63%

Monthly Summary: The total November Market Basket is up vs. prior month (+0.2%) and vs. prior year (+0.7%).

Produce is the product class up the most (+3.2%) vs. prior month due to significant month to month increases for Fresh Vegetables (+3.0%) and Fresh Fruit (+10.5%). The majority of individual product segments show dramatic differences vs. prior year – the largest increases are Eggs (+41.1%) and Vegetables (+6.3%), and the greatest declines are Cheese/Yogurt (-13.1%) and Milk (-9.5%).

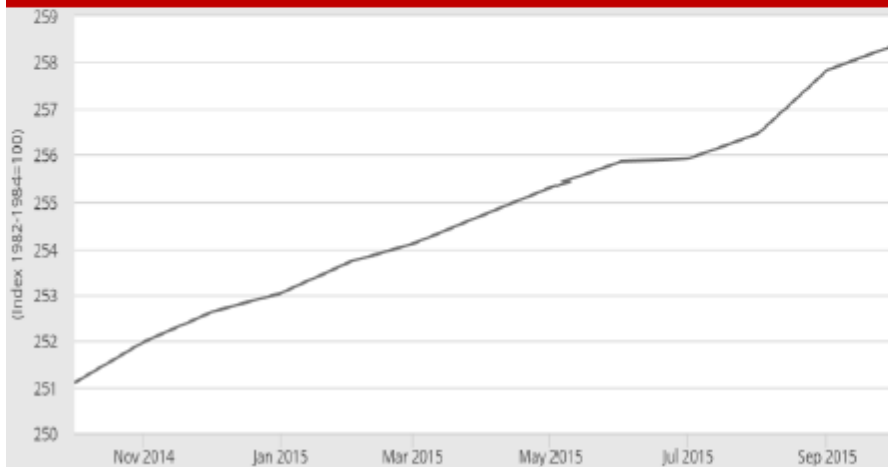
3% or greater decline  
3% or greater increase

# CPI & PPI Information

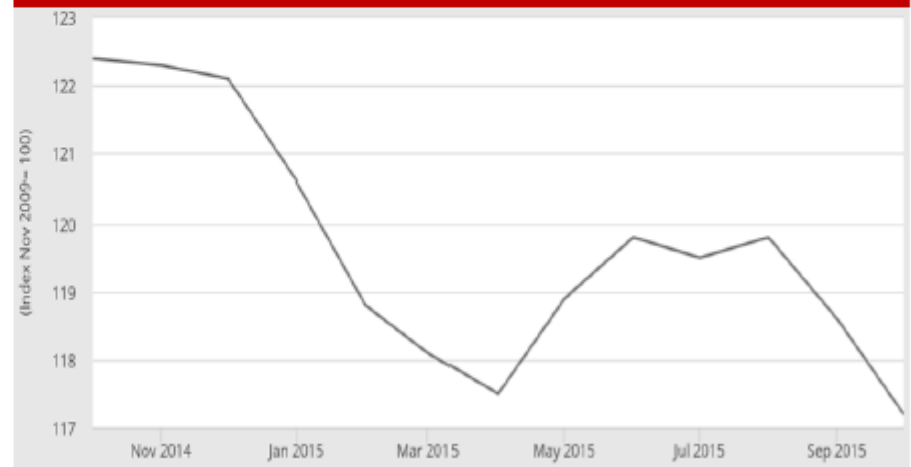
Notes: The Producer Price Index and the Consumer Price Index reflect historical moves for one month prior, October 2015.

Index	Change / Prior Mo.	Change / Prior Yr.	Details (vs. Prior Year)
Consumer Price Index	0.0%	+0.2%	Eggs +30.0%, Pork -6.4% & Milk -7.5%
Producer Price Index	-0.3%	-1.6%	Eggs +23.7%, Pork -26.2% & Dairy -14.1%

**CPI: Food Away From Home (Oct. 2014 – Oct. 2015)**



**PPI: Final Demand Foods (Oct. 2014 – Oct. 2015)**



Source: Federal Reserve Economic Data / U.S. Department of Labor: Bureau of Statistics

# Market Basket Historic Rates

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October 13, 2015

Global Supply Chain & Procurement

# Historical Rates by Product Class

Product Class	Current Prices vs Prior year Prices					YOY Inflation Rates					
	2015 v. 2014	2015 v. 2013	2015 v. 2012	2015 v. 2011	2015 v. 2010	2015	2014	2013	2012	2011	2010
Meats	-3.7%	6.1%	10.0%	10.5%	18.4%	-3.7%	10.2%	3.7%	0.5%	7.2%	7.3%
Fruits & Vegetables	5.1%	-0.9%	-0.9%	-0.6%	2.8%	5.1%	-5.7%	0.0%	0.4%	3.4%	2.9%
Groceries	-1.7%	-3.5%	-0.8%	2.9%	8.3%	-1.7%	-1.9%	2.8%	3.8%	5.2%	-3.5%
Dairy	0.0%	7.8%	9.4%	2.0%	19.3%	0.0%	7.9%	1.4%	-6.8%	17.0%	3.1%
Baked Goods	-1.0%	-2.2%	-3.1%	-2.4%	6.5%	-1.0%	-1.2%	-0.9%	0.7%	9.2%	-3.5%
Beverages	2.1%	5.7%	4.9%	3.8%	16.5%	2.1%	3.5%	-0.7%	-1.1%	12.2%	1.0%
Kitchen Supplies	1.0%	2.8%	5.8%	12.4%	16.0%	1.0%	1.8%	2.9%	6.2%	3.2%	-0.4%
Clean & Warewash	3.5%	3.5%	3.5%	9.8%	9.7%	3.5%	0.0%	0.0%	6.0%	0.0%	0.0%
Overall Index	-0.2%	2.4%	4.0%	4.4%	12.5%	-0.2%	2.6%	1.5%	0.4%	7.8%	1.5%

3% or greater decline  
3% or greater increase

# Historical Rates by Product Segment

	Current Prices vs Prior year Prices					YOY Inflation Rates					
	2015 v. 2014	2015 v. 2013	2015 v. 2012	2015 v. 2011	2015 v. 2010	2015	2014	2013	2012	2011	2010
<b>Meats</b>											
Beef	-6.6%	21.6%	27.8%	31.8%	41.1%	-6.6%	30.2%	5.1%	3.1%	7.1%	5.8%
Pork & Provisions	-10.0%	-3.8%	1.4%	-3.3%	10.2%	-10.0%	6.9%	5.4%	-4.7%	14.0%	12.8%
Poultry	0.8%	4.2%	10.2%	13.0%	16.4%	0.8%	3.4%	5.7%	2.6%	3.0%	8.3%
Fish & Seafood	-7.0%	-4.9%	-20.9%	-26.2%	-11.8%	-7.0%	2.2%	-16.8%	-6.7%	19.6%	0.7%
Prepared	1.8%	1.8%	1.8%	4.0%	7.5%	1.8%	0.1%	0.0%	2.1%	3.4%	0.0%
<b>Fruits &amp; Vegetables</b>											
Fresh Vegetables	11.5%	3.6%	7.4%	6.4%	2.2%	11.5%	-7.1%	3.7%	-1.0%	-3.9%	6.1%
Fresh Fruits	-3.9%	-8.3%	-7.5%	-16.4%	-14.0%	-3.9%	-4.7%	0.9%	-9.6%	2.9%	7.6%
Frozen Fruit&Veg	1.8%	-3.9%	-9.5%	-3.8%	13.7%	1.8%	-5.6%	-5.9%	6.4%	18.2%	-1.4%
Canned Fruit&Veg	3.0%	0.0%	0.5%	6.6%	8.6%	3.0%	-2.9%	0.5%	6.1%	1.8%	-5.3%
<b>Groceries</b>											
Dry Groceries	-3.8%	-2.8%	-2.2%	-0.8%	10.0%	-3.8%	1.0%	0.6%	1.4%	10.9%	-4.4%
Condiments/Relishes	0.3%	0.3%	5.8%	9.1%	7.0%	0.3%	-0.1%	5.5%	3.2%	-2.0%	-2.6%
Canned Groceries	1.1%	-11.1%	-4.2%	6.3%	8.8%	1.1%	-12.1%	7.8%	11.0%	2.3%	-4.6%
Sweeteners	-7.5%	-5.6%	-7.3%	-0.6%	10.2%	-7.5%	2.0%	-1.8%	7.3%	10.8%	0.0%
Soups and Bases	2.0%	2.0%	2.0%	4.1%	1.6%	2.0%	0.0%	0.0%	2.1%	-2.4%	0.0%
<b>Dairy</b>											
Fluid Milk	-8.1%	-0.2%	1.7%	3.4%	18.9%	-8.1%	8.6%	1.9%	1.7%	15.0%	-1.8%
Cheese & Yogurt	-8.3%	1.5%	4.2%	-7.8%	8.6%	-8.3%	10.7%	2.7%	-11.5%	17.7%	9.6%
Butter & Margarine	-8.3%	2.0%	-7.5%	-12.3%	3.4%	-8.3%	11.2%	-9.3%	-5.2%	17.8%	19.0%
Eggs	36.3%	35.2%	37.8%	29.6%	52.5%	36.3%	-0.8%	1.9%	-5.9%	17.7%	-9.4%

3% or greater decline  
3% or greater increase



# Historical Rates by Product Segment (cont.)

	Current Prices vs Prior year Prices					YOY Inflation Rates					
	2015 v. 2014	2015 v. 2013	2015 v. 2012	2015 v. 2011	2015 v. 2010	2015	2014	2013	2012	2011	2010
<b>Baked Goods</b>											
Fresh Bread	0.5%	6.3%	7.9%	9.7%	11.4%	0.5%	5.7%	1.5%	1.7%	1.5%	-5.1%
Flour & Baked Goods	0.6%	-3.3%	-5.8%	-4.0%	4.3%	0.6%	-3.8%	-2.6%	1.9%	8.6%	0.5%
Shortenings & Oils	-9.6%	-16.9%	-17.7%	-21.6%	2.0%	-9.6%	-8.1%	-1.0%	-4.7%	30.2%	-11.7%
<b>Beverages</b>											
Juices	5.0%	9.7%	10.6%	9.7%	16.4%	5.0%	4.5%	0.8%	-0.8%	6.2%	-1.2%
Cold Beverages	3.2%	6.3%	9.6%	14.5%	17.2%	3.2%	3.0%	3.2%	4.4%	2.3%	2.6%
Other Hot Beverages	0.0%	0.0%	2.6%	6.3%	10.5%	0.0%	0.0%	2.6%	3.6%	3.9%	-2.8%
Coffee	-2.1%	1.6%	-6.1%	-13.6%	16.2%	-2.1%	3.8%	-7.5%	-8.0%	34.5%	1.7%
<b>Kitchen Supplies</b>											
Kitchen Supplies	-0.8%	2.1%	0.0%	1.4%	9.8%	-0.8%	3.0%	-2.1%	1.4%	8.3%	-0.2%
Paper & Plastic	1.2%	2.9%	6.7%	14.2%	16.9%	1.2%	1.7%	3.7%	7.0%	2.4%	-0.4%
<b>Clean &amp; Warewash</b>											
Sanitation Supplies	4.5%	4.4%	4.4%	10.6%	10.8%	4.5%	-0.1%	0.0%	5.9%	0.2%	0.0%
Warewashing	3.4%	3.4%	3.4%	9.7%	9.6%	3.4%	0.0%	0.0%	6.0%	0.0%	0.0%

3% or greater decline  
3% or greater increase

# Key Commodities Update

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October 13, 2015  
Global Supply Chain & Procurement

# Key Commodity Factors to Watch

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## Bearish

- World Agriculture Supply & Demand Estimates (WASDE Report released August) supports the potential for suppressed price increases for agricultural markets
- Stronger USD vs. foreign currencies limiting export
- Concerns on demand from China

## Bullish

- Despite 'WASDE' reports, several categories (e.g. Beef, Turkey, Eggs) have experienced significant inflation
- El Nino weather potential impact
- Continue pressure of Avian Flu impact on Eggs, Turkey and risks for Poultry industry

# September 2015 & 5 Year Trend

	Beef (90/50 Trim)	Chicken	Turkey	Eggs
Current	<ul style="list-style-type: none"> <li>Prices have been near all-time highs</li> <li>Despite of this, demand has remained steady supporting price points</li> </ul>	<ul style="list-style-type: none"> <li>Prices well below prior year levels</li> <li>Foreign import bans due to avian flu causing domestic oversupply</li> </ul>	<ul style="list-style-type: none"> <li>1H2015 Avian Flu outbreak impact:               <ul style="list-style-type: none"> <li>8,000,000 birds lost, ~5% of total production with heavier impact in Minnesota (~11.5% loss)</li> <li>Affected producing farms idled while in cleansing stage</li> <li>15 breeder farms impacted, producers of the eggs required to restock producing farms</li> <li>Supply of poults is not sufficient to meet demand as quickly as required</li> <li>Only ~50% of affected farms have been repopulated</li> <li>August hatchery results: Poults hatched down 6%, poults placed down 6%, Eggs in incubators down 15%</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Losses driven by avian flu has sent egg prices to all-time record highs</li> <li>August table egg production totaled 545 million dozen, down 11 percent from August 2014 due to the effects Avian Flu</li> <li>On September 1, the number of birds in the table egg flock was 273 million, down 11 percent compared to a year earlier</li> <li>Shell eggs broken totaled 168 million dozen during August 2014, down 15 percent from August a year ago</li> </ul>
Outlook	<ul style="list-style-type: none"> <li>Stronger USD could potentially hurt export demand</li> <li>Competing proteins could demand away from beef, although turkey being impacted by Avian Flu</li> <li>Pricing outlook still remains high as demand hasn't softened enough to put pressure on pricing</li> </ul>	<ul style="list-style-type: none"> <li>Unless export markets reopen, domestic supply will remain burdensome</li> <li>Prices expected to remain steady</li> <li>Avian Flu risk exists to expand to chicken industry</li> </ul>	<ul style="list-style-type: none"> <li>Southern migration under watch, with special focus on East coast implication due to flight patterns</li> <li>Biosecurity continues to be improved but its impact to avoid issues still uncertain</li> <li>Turkey breast meat market over \$2.00/lb above prior year (+54%) with no weakness as demand continues to outweigh supply</li> <li>Whole turkey index \$0.40/lb above prior year (+27%), and forecasted to continue rising</li> </ul>	<ul style="list-style-type: none"> <li>Fears of avian flu returning this fall and impacting Mid-Atlantic and Southeast production</li> <li>Prices to remain elevated as egg-laying flock needs time to rebuild</li> <li>Additional losses to avian flu will prolong pricing at historically high levels</li> </ul>

# 2015-2016 Meal Plans

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## Mandatory

# Mandatory Meals Plans

Plan	Meals	Cougar Cash	Board Rate	CC Rate	Total Price
Shasta Pass Unlimited	Unlimited w/ 20 guest passes	\$100	\$1,820	\$85	\$1905
Sasha Swipe 15	15/week	\$250	\$1,640	\$225	\$1,865
Cougar Choice 160	160/sem	\$400	\$1,320	\$380	\$1,690
Cougar Cash	N/A	\$1,600	\$0	\$1,520	\$1,520

- Board Rate Increase
  - Shasta Pass: 2.5%
  - Sasha Swipe: 2.5%
  - Cougar Choice: 2.7%
- Cougar Cash Discounts
  - Shasta Pass: 15%
  - Sasha Swipe: 10%
  - Cougar Choice: 5%
  - Cougar Cash: 5%

# New Meal Plan Model

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2016-2017

# Meal Plan Update (In Progress)

<b>All Access 7</b>	<b>Block 240</b>	<b>Block 180</b>	<b>Block 140</b>	<b>Block 100</b>	<b>Block 50</b>	<b>Block 25</b>
7/Unlimited	240/sem	180/sem	140/sem	100/sem	50/sem	25/sem
\$100	\$200	\$300	\$400	\$375	\$100	\$75
Both	Both	Both	Both	Voluntary	Voluntary	Voluntary

## Cougar Cash Plans

<b>\$1600</b>	<b>\$900</b>	<b>\$500</b>	<b>\$300</b>
Both	Voluntary	Voluntary	Voluntary

- Meal equivalency & meal swipe donation program still being factored into each plan
- Price per meal will be exceptionally lower compared to current meal plans



# Feedback and Suggestions

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