



**MEAL PLAN PRICING PROPOSAL
FOR
2012**

The Future Of Our Program

- To provide an affordable solution for our students in alignment with President Khator's goal of graduating students with the least amount of debt
- To provide a plan that greatly enhances perception of value
- To sustain the quality, variety, and viability of the program in the years ahead

2011-2012 Meal Plans

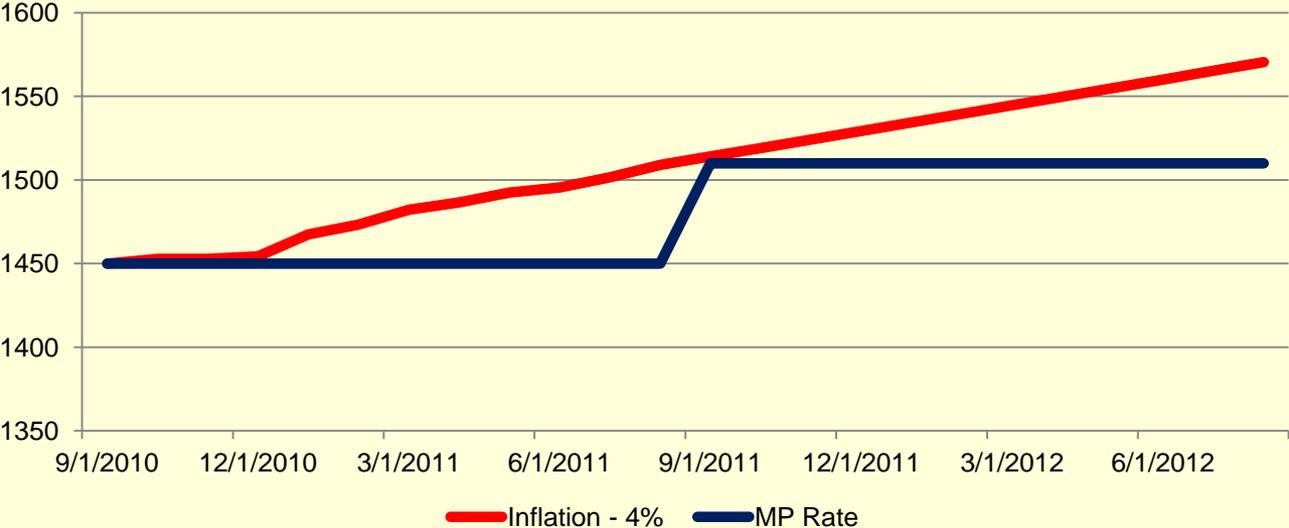
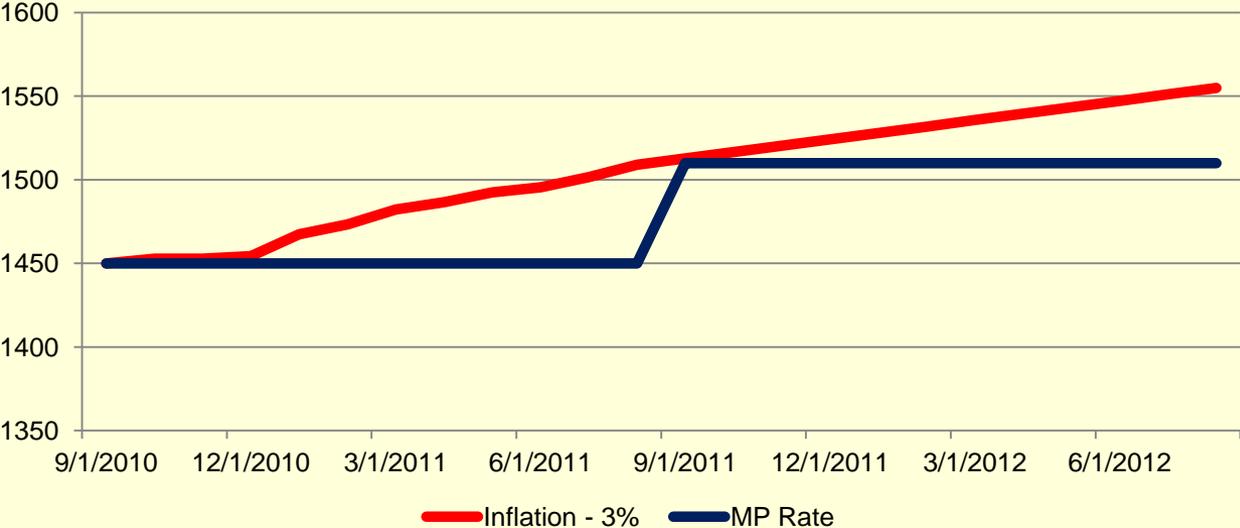
LIFESTYLE 21	\$1,610
LIFESTYLE 15	\$1,610
LIFESTYLE 160	\$1,610
BLOCK 80	\$610
BLOCK 40	\$370
BLOCK 20	\$200

* Taxes are charged in the meal plan portion of the plan. Tax for Cougar Cash will be added at the time of purchase in the retail location on campus.

2011-2012 DOOR PRICES

BREAKFAST	\$	6.50	\$	6.50	Unchanged
					Unchanged
LUNCH	\$	7.50	\$	7.50	
					Unchanged
DINNER	\$	8.50	\$	8.50	

HISTORICAL MEAL PLAN AND INFLATION RATES (USING LIFESTYLE 21 PLAN)





CPI and PPI Indexes



Consumer Price Index (CPI)

Food at Home

Change from Prior Month	+ 0.58%
Annual Rate of Increase	+ 5.39%

Up significantly from June

Producer Price Index (PPI)

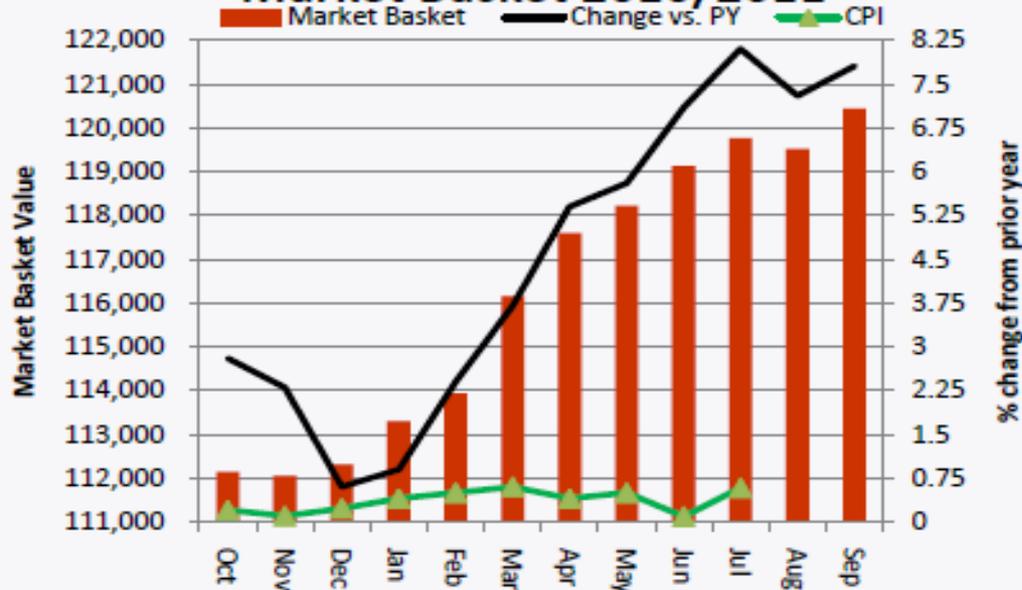
All Finished Consumer Goods

Change from Prior Month	+0.31%
Annual Rate of Increase	+6.68%

Another month of upward pressure

Please note that the Product Market Basket deals with the September situation prospectively, while both the Producer Price Index and the Consumer Price Index reflect historical moves for July 2011, two months earlier.

Market Basket 2010/2011



SUMMARY

Our market basket was once again significantly up over prior year. This is the third month in a row where increases are 7.3% or higher. Pork and Seafood are up 14% and 20% respectively.

Dairy, baked goods, beverages, and meat categories lead the increases. We are up 7.4% since the beginning of the fiscal year

A thorough analysis of selling prices is in order, as we do not see any indication that prices will fall in the remainder of the year, with an anticipated calendar year growth of 6.5%.

Outlook 2011/2012: 2012 Food price inflation is expected to abate from 2011 levels

In 2011, the Consumer Price Index (CPI) for all food is projected to increase 3 to 4%. Food-at-home (grocery store) prices are forecast to rise 3.5 to 4.5%, while food-away-from-home (restaurant) prices are forecast to increase 3 to 4%. Although food price inflation was relatively weak for most of 2009 and 2010, cost pressures on wholesale and retail food prices due to higher energy and food commodity prices, along with strengthening global food demand, have pushed inflation projections for 2011 upward.

The all-food CPI increased 0.8% between 2009 and 2010, the lowest food inflation rate since 1962. Food-at-home prices increased by 0.3%-the lowest annual increase since 1967-with cereal and bakery prices declining 0.8% and processed fruit and vegetable prices dropping 1.3%. Food-away-from-home prices rose 1.3% in 2010, the lowest annual increase for restaurant prices since 1955.

For 2012, food inflation is expected to abate from 2011 levels, but is projected to be slightly above the historical average for the past two decades. The all-food CPI is projected to increase 2.5 to 3.5% over 2011 levels, **with food-at-home prices increasing 3 to 4%** and food-away-from-home prices increasing 2 to 3%. While many inflationary pressures that drove prices up in 2011 are not expected to intensify and may even decrease in 2012, retailers have been slow to pass on cost increases to date. **Price levels in 2012 will hinge significantly on weather conditions** in the American Midwest during the remainder of July and into August and September 2011. Because current USDA forecasts are based on a normal weather scenario, sustained heat or drought conditions resulting in reduced supplies and intensified inflationary pressure would result in revised USDA forecasts.

SUMMARY *(Thru August 2011)*

<http://www.foodinstitute.com/outlook.cfm>

First Look At 2012 Price Forecast by USDA

Items	Relative Importance	Year-over-	Annual	Annual	Forecast	Forecast
		6/10to6/11	2008	2009	2011*	2012
	<i>Percent</i>		<i>Percentage change</i>			
Consumer Price Indexes						
All Food	100.0	3.7	1.8	0.8	3.0 to 4.0	2.0 to 3.0
Food away from home	43.1	2.3	3.5	1.3	3.0 to 4.0	2.0 to 3.0
<i>Food at home</i>	56.9	7.0	0.5	0.3	3.5 to 4.5	3.0 to 4.0
Meats, poultry and fish	12.5	7.0	0.5	1.9	5.0 to 6.0	4.5 to 5.5
Meats	7.9	7.9	-0.6	2.8	6.0 to 7.0	4.5 to 5.5
Beef and Veal	3.7	8.2	-1.0	2.9	7.0 to 8.0	6.0 to 7.0
Pork	2.5	8.5	-2.0	4.7	6.5 to 7.5	4.0 to 5.0
Other meats	1.7	6.2	2.3	-0.1	3.0 to 4.0	2.5 to 3.5
Poultry	2.4	3.0	1.7	-0.1	2.5 to 3.5	3.0 to 4.0
Fish and Seafood	2.2	8.2	3.6	1.1	5.5 to 6.5	4.0 to 5.0
Eggs	0.7	11.1	-14.7	1.5	4.5 to 5.5	3.0 to 4.0
Dairy products	6.1	7.2	-6.4	1.1	5.0 to 6.0	3.0 to 4.0
Fats and oils	1.7	9.7	2.3	-0.3	6.5 to 7.5	4.5 to 5.5
Fruits and Vegetables	8.4	3.2	-2.1	0.2	3.5 to 4.5	2.0 to 3.0
Fresh	6.4	3.8	-4.6	0.6	3.5 to 4.5	2.0 to 3.0
Fresh fruits	3.3	1.8	-6.1	-0.6	2.0 to 3.0	1.5 to 2.5
Fresh vegetables	3.2	5.8	-3.4	2.0	4.5 to 5.5	2.5 to 3.5
Processed	1.9	1.6	6.6	-1.3	1.5 to 2.5	3.0 to 4.0
Sugar and sweets	2.2	4.0	5.6	2.2	2.5 to 3.5	2.0 to 3.0
Cereals and bakery	7.9	4.1	3.2	-0.8	3.5 to 4.5	2.5 to 3.5
Nonalcoholic beverages	6.7	3.6	1.9	-1.9	2.0 to 3.0	1.5 to 2.5
Other foods	10.7	2.1	3.7	-0.5	2.5 to 3.5	2.0 to 3.0

INFLATION TABLE:

<http://www.ers.usda.gov/Briefing/CPIFoodAndExpenditures/Data/cpiforecasts.htm>

What is an All-Access Meal Plan?

- Allows unlimited access to dining facilities: there is no restriction on the number of times you may eat in the dining hall per day or per semester
- Provides a positive price/value perception to the student by eliminating “missed meals”
- Two plans:
 - All-Access 5 running Monday through Friday
 - All-Access 7 running Monday through Sunday
- Allows defined number of guest swipes per semester

PROPOSED MEAL PLAN CHANGES

	PROPOSED BOARD	PROPOSED DB	PROPOSED TOTAL PRICE	CURRENT TOTAL PLAN PRICE	% CHANGE
LIFESTYLE 21	\$ 1600	\$ 100	\$ 1700	\$ 1,610	5.3%
LIFESTYLE 15	\$ 1500	\$ 200	\$ 1700	\$ 1,610	5.3%
LIFESTYLE 160	\$ 1300	\$ 400	\$ 1700	\$ 1,610	5.3%
BLOCK 120	\$ 650	\$ 200	\$ 850	---	---
BLOCK 80	\$ 490	\$ 150	\$ 640	\$ 610	4.7%
BLOCK 40	\$ 290	\$ 100	\$ 390	\$ 370	5.1%
BLOCK 20	\$ 160	\$ 50	\$ 210	\$ 200	5.0%
ACCESS 5	\$ 1600	\$ 200	\$ 1800	---	---
ACCESS 7	\$ 1700	\$ 100	\$ 1800	---	---

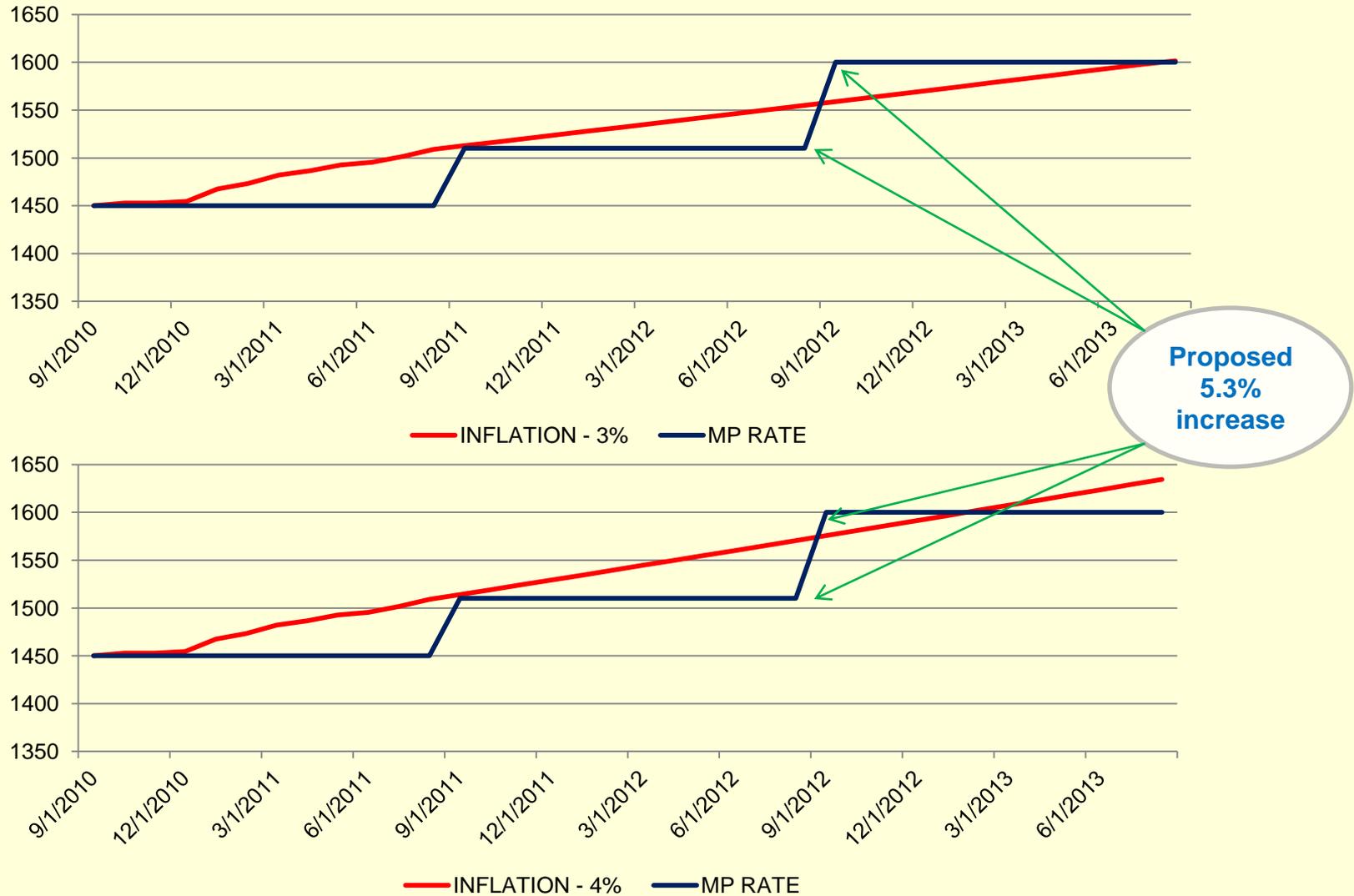
•Taxes are charged in the meal plan portion of the plan. Tax for Cougar Cash will be added at the time of purchase in the retail location on campus.

•Access 5: Includes 10 Guest passes per semester

•Access 7: Includes 15 Guest passes per semester

PROJECTED MEAL PLAN AND INFLATION RATES

(USING LIFESTYLE 21 PLAN)



3-YEAR RATE OF INCREASE FOR INFLATION AND MEAL PLANS

