

DELCO FOODS



Hope For Food Costs?

By Peter Thor, President Bellissimo Foods



Market Update

Between the wild weather, natural disasters, and conflicting news on the economy, it is difficult to make sense of what's really going on in the world. Only a week ago, higher unemployment claims were bringing down the market and causing concern for a second recession. This week the employment news was more positive, but a slow recovery is the 'best' most analysts are predicting. Under-reported are the stark differences between those regions and industries doing well and those that aren't. But rising costs of energy and food affect us all.

Finally some good news! After months and months of rapidly rising commodity prices, the outlook going forward yields some optimism that we will see relief in areas important to the pizza and specialty foods industry.

Dairy accounts for about 40% of the ingredient costs for pizza operators, and dairy is linked heavily to grain. The block market for cheese appears to be settling in the \$1.60 - \$1.70 range, with demand supported by continued export and domestic demand. Block cheddar is currently about 20% higher

in price than year ago. Cheese exports have been particularly strong at more than 43 million pounds per month. But both production and inventories of cheese are up slightly, bringing some stability to the market.

Through April, corn prices had doubled compared to year ago. But prices recently dropped significantly in response to a recent corn crop forecast by the USDA. Corn is

especially important because it eventually drives prices of other grains as well as dairy, chicken, and beef. Also positive are recent changes to margin requirements, which appear to be forcing some speculators out of the commodities markets. Grain prices will also be helped if recent legislation removing the subsidies for ethanol reduces the amount of corn being used to make fuel.

A major uncertainty continues to be the weather. Corn planting in the Midwest is running well behind schedule. As of May 8, only 40% of the corn crop was planted compared to 60% average. In the West, tomatoes and other crops are also behind planting schedule which means late harvest and the potential for crop shortfall. But as of now the planned tonnage should yield normal crops if good weather prevails.

Recent tornadoes and flooding have "pummeled" the poultry industry in key producing states like Alabama, Georgia, and Arkansas. Millions of chickens were lost and many growing houses and processors were damaged. Fortunately, the industry is huge and the loss is only a small percentage in an

industry which produces more than 10 Billion chickens annually. In the short term, prices might actually decline as more birds are slaughtered, but prices going forward will depend on feed costs and industry structural issues. Surprisingly, 65% of the cost of chicken is the feed.

Pork and beef of course are the two primary ingredients in all of the protein toppings like pepperoni and sausage. The prices of pork and beef have risen more than the 2-7% in the past week, and plan on further increases forecast by the USDA. High costs of feed, and livestock producer's unwillingness to increase production when feed costs are high, are the main reasons. As of the beginning of May, beef prices were about 17% higher than last year. Rising export demand for U.S. pork helped spur a 9.8 percent rally in hog futures in the past year. Seaboard Foods LLC, the third-biggest U.S. hog producer, said this week that the nation's herd will be little changed this year. Prospects for increased animal supplies in the U.S., the world's leading pork exporter, have been eroded by feed-corn prices that are 85 percent higher than a year ago.

The keys to watch going forward are grain price changes, particularly corn futures, and also U.S. government policies toward biofuels/ethanol which consumes more than a third of our national corn supply. Energy and the U.S. dollar value depreciation are also important as they influence both export demand and consumer disposable income. Hopefully each of these key indicators will continue to work in our favor and enable our industry to return to robust growth. We hope that this information gives rise to some optimism and that the next 12 months will be devoid of the sharp changes that have characterized this past year.



Can Low Fat Open New Customer Opportunities?

Our staff was recently asked to judge a pizza contest. Since we love eating pizza, it was easy to agree, however, this was a contest with a twist. The Cholesterol Council of America sponsored the contest. The CCA has been promoting awareness of reducing Cholesterol for many years.

Bellissimo agreed to participate because it is a good cause and we love to take on opportunities to further our knowledge of the pizza business. As the contest and the eating began, we realized that this was a great marketing opportunity for our customers. The recent census figures are proving what many already suspected, the U.S. population is getting older. This means that more people are living longer. This "graying of America" has important implications for the pizza market.

Kids and families have long been the mainstay of our business. But maybe we are missing a big target of customers. As people age, concerns about cholesterol grow. If you can meet their needs for lower fat foods when dining out, you can gain a bigger share of a growing market. When the right ingredients are used, pizza can play a beneficial role as a low fat food.

Operationally, you only need one or two low fat offerings on your menu and most of the ingredients you already inventory. A simple sign in your window, a heart healthy logo on your menu and a low fat "box" on your carry out and delivery menu is all you need for marketing. Customers with low fat preferences are looking for choices. Financially, customers with these needs are accustomed to paying a little more. Many older people have disposable income as many of their big lifetime expenses are behind them.

Finding a new target audience, giving them something unique, catered to their needs with a little extra profit margin sounds like a real win.

Succulent Summer Creamy, Versatile Cheese

Summer is upon us and it's time to shake up the menu a little. Here are some summertime sandwiches with thick slices of cool creamy fresh mozzarella. You might make this sandwich with focaccia bread, roasted red and yellow bell peppers, fresh mozzarella, thin slices of Prosciutto, and dressed with a dash of garlic mayonnaise. Or, toasted sourdough bread, with sugar cured ham; oven roasted asparagus, melted fresh mozzarella, and a puree of Kalamata olive and herb spread. And maybe, a sandwich of 9-grain bread marinated and roasted eggplant, zucchini, onion, and portobello mushroom, fresh mozzarella with a sun-dried tomato and basil spread.



Any salad with fresh mozzarella has the ring of an up-scale menu item. The versatility of fresh mozzarella complements meat and fish salads, and it can complement seasonal salad ingredients. Try this salad made with baby lettuce, slices of cold roast beef, fresh mozzarella, diced red onion, Mandarin orange segments,

and a sweet basil vinaigrette. Fresh mozzarella in an Italian chef salad or an antipasto salad is a natural. A chilled Fusilli pasta salad with avocados, artichoke hearts, mixed olives, roasted red bell peppers, and Italian vinaigrette might not be complete without some fresh mozzarella.

Please visualize that a dish of Penne pasta with fresh vegetables, a creamy tomato sauce and tiny rounds of fresh mozzarella has just been set in the middle-of-the-table. See the soft almost melting rounds of cheese. Fresh mozzarella tossed into a pasta dish just before serving is one way to add eye-appeal, a different texture, and an increase in value. Fresh mozzarella will do the same for pizza also. Adding fresh mozzarella to pizzas at the end or near the end of the baking time so that the cheese stays white with out browning, and just starts to melt and get creamy also adds a lot to a pie.

Yes, it's Vegan and
Gluten-Free...and yes,
it's delicious.

FOODSERVICE OPERATORS CHOOSE CASA DI LISIO
FOR SPECIALTY DIETARY REQUIREMENTS AND TO
INCREASE THEIR **VEGAN** CUSTOMER BASE.



Casa Di Lisio...For those who know the difference!

All Casa Di Lisio sauces are made with only **FRESH BASIL**
AND HERBS, along with other high quality ingredients.

Nut Allergies, No Problem!
Ask for our Basil Pesto without Pine Nuts!

Vegan Sauce Lineup:

- BASIL PESTO
- ROASTED GARLIC PESTO
- SUN DRIED TOMATO BASIL PESTO
- FIRE ROASTED RED PEPPER (Chipotle) PESTO



Products, Inc.

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Casa Di Lisio Sauce Line Includes:

FRESH BASIL PESTO with PINE NUTS, CILANTRO PESTO, WALNUT PESTO, CREAMY ALFREDO SAUCE,
NAPOLITANO TOMATO, WHITE CLAM SAUCE, SAUCE PROVENCAL, PUTTANESCA SAUCE

It's Hot – You Need Gelato

And if you haven't already, you need to add one of Gelato Da Vinci's fabulous gelato products to your menu. It's the perfect treat your customers' desire during the hot summer months.

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|----------|----------------------------|-------|
| #222291 | Chocolate Gelato | 1 gal |
| #222292 | Cappuccino Chip Gelato | 1 gal |
| #222294 | Mint Chocolate Chip Gelato | 1 gal |
| #222295 | Spumoni Gelato | 1 gal |
| #222296 | Strawberry & Cream Gelato | 1 gal |
| #222297 | Vanilla Bean Gelato | 1 gal |
| #222298 | Cake Spectacular Gelato | 1 gal |
| #1001676 | Pistachio Gelato | 1 gal |

Gelato spoons and cups also available. Talk to your Delco Sales Representative today!



All natural Authentic Artisan

New Item

Marukan Seasoned Gourmet Rice Vinegar has a sweet and mild flavor that's perfect for salads, dips, sauces and marinades. It's an easy upgrade to any other sweet "rice wine" vinegar or dressing. Marukan Rice Vinegar blends well with herbs and spices and draws the flavor out of meats and other proteins. It enhances the natural flavors of other ingredients as well.

This newest product in the Delco Foods lineup is 100% Gluten Free, Kosher Certified, is all natural and contains no MSG.

#1002569 Seasoned Rice Vinegar 4/1 gal



New Item

Toschi Amarena Cherries are grown and canned by Italian tradition. Carefully selected and pitted, these Amarena Cherries direct from the mountains of Vignola, – Italy, are candied for decoration, desserts, cakes or puddings. These sweet delights are perfect to garnish cocktails, gelato (like our delicious gelato above), smoothies and slushies. Talk to your Delco Sales Representative and find out why they're so irresistible!



#1002550 Amarena Cherries 6/35.27 oz



Employee Spotlight



To earn the honor of Driver of the Year, drivers must excel in accuracy, customer feedback, equipment maintenance, driving record, and attendance. Greg Henson achieved high marks in all of these areas, making 2010 his year. Greg said winning the Driver of the Year award for 2010 was one of his most memorable work experiences. "I took a lot of pride and worked extremely hard to earn that," he explains.

Greg Henson has been a Delco delivery driver for the past four years. While he's relatively new to the Delco family, he is not new to the transportation industry. Greg was a delivery service manager for 7UP for five years and a driver for five years prior to that. Greg says the best part of his job with Delco is interacting with all of the customers on his route. "The hardest part is the everyday bump and grind of two-wheeling product into stores – also the early hours," he says. In Greg's past four years his routes and volume of products has increased, but he's handled the increased work load with ease.

In his downtime, Greg enjoys spending time with his family. He has two daughters (ages seven and four) and he proudly states that he's "been married to his beautiful wife, Jennifer, for the past ten years." Greg can be found on his off days coaching basketball and softball for his daughters' teams. He also enjoys fishing and spending time at his summer home on the Ohio River.

Congratulations to Greg Henson on an outstanding 2010!



Calamari

Why is calamari a good fit for your restaurant? Because fried calamari is considered a culinary treat in Italian restaurants. It's a dish that is easy for your facility to prepare, but not something a typical American household would prepare in their own kitchen. A good fried calamari appetizer may help set you apart from the competition and keep your patrons coming back for more. What's more – Delco Foods now has calamari products from Town Dock that are sure to set you far above the rest!

Why do top chefs and restaurant owners ask for Town Dock Calamari? It's because their calamari delivers higher quality and more value than other brands. All of their calamari is fully cleaned during processing saving valuable labor for the chef. Chefs also rave about Town Dock's excellent taste, tenderness and no waste. No waste means greater profitability and plate cost estimating. Plus, their breaded calamari rings are ready-to-go and taste incredible. Talk to your Delco Foods Representative about adding calamari to your menu today.

#371054	Calamari Rings Green Label	10/2.5 lb
#371056	Tubes & Tent. Squid Black Label	20/2.5 lb
#371057	Calamari Rings Breaded	2/6 lb
#371058	Tubes & Tent. Squid Green Label	10/2.5 lb

Remember you can visit us online at www.delcofoods.com

Comments, Questions & Suggestions

Please contact us toll free at **800.536.1234**, locally at **317.876.1951**, or visit us online at www.delcofoods.com. We truly value your opinion.

As always, our number one goal is to keep you happy. Our newsletter is just one way we share new information about the products and services we offer, as well as industry news we think may be interesting and useful. For personal service and support, please contact your Delco Foods sales representative.

4850 West 78th Street . Indianapolis, IN 46268 . toll free 800.536.1234 . tel 317.876.1951 . fax 317.870.7803

Hygienic Hand Practices

While hand washing may appear fundamental, many food handlers fail to wash their hands properly and as often as needed. As managers, it is our responsibility to train our food handlers and then monitor them to make sure that they are washing their hands properly and when necessary. Never take this simple action for granted.

To ensure proper hand washing in your establishment, train your food handlers to use the following steps when washing their hands:

- 1) Wet your hands with hot running water
- 2) Apply soap
- 3) Rub hands together for at least 20 seconds, cleaning all the way to the elbow.
- 4) Clean under fingernails and between fingers
- 5) Rinse hands thoroughly under running water
- 6) Dry hands with hand dryer or single use disposable towels

Approved hand sanitizers (liquids used to lower the number of microorganisms on the surface of the skin) or hand dips may be used after washing, but should never be used in place of proper hand washing. If hand sanitizers are used, food handlers should never touch food or food-preparation equipment until the hand sanitizer has dried.



Use a Dinner Mint

Dinner was delicious. The service was prompt and friendly and the customer looks satisfied as he gets ready to leave your restaurant. But do you really want the check to be the last thing he sees before he grabs his coat and heads home?

While advertising to attract new customers is one of the most important things you can do to build your business and your reputation, perhaps more important than that is taking steps to keep the customers you already have.

Why not try a dessert mint as an easy and refreshing little extra?

Sweets after dinner have a long and interesting history. It was France that introduced dessert as we know it today. Before refrigeration, one was often left with a rancid taste in his mouth after eating food that had gone bad. Dessert was a way of ending the meal on a pleasant note, of masking the taste of rancid food with a sweet taste.

In modern times, we thankfully eat dessert as a treat, not a "chaser." Still, dessert mints are a tradition in the restaurant business.

A mint is just the thing after a meal rich with garlic and spices, or when a diner has eaten just a bit too much and needs a little digestive aid.

Mints are a refreshing way to acknowledge and cement your customers' loyalty. Between a penny and five cents per candy, they are affordable, too.

Best of all, imprinting your restaurant's name on all those little wrappers is a surefire way to ensure that your customers will be thinking of you when they reach for that candy they've stowed in their pocket or handbag or glove compartment.

Your customers deserve to be recognized for their loyalty. And they expect it. Mints are a good way to promote your business and do something nice for your customers at the same time.

After all, it is your customers who keep the lights on and the money coming in. Mints are a simple and inexpensive way to say "thank you."