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Restaurants Survive Asian Bird Flu Despite Egg Crisis

As a foodservice operator, sometimes event occur where you just can't get ahead. When more than 50 million chickens and turkeys were euthanized as a precaution against the rise of the H5N5 Avian Flu in May, it filtered down to every user and consumer of eggs.

The result was both higher egg prices and higher par-anoia. Prices rose 75 percent over last year, affecting the cost of doing business in a most unpredictable way. It also caused a huge national egg shortage.

Prices for Grade A large eggs at retail topped \$3 a dozen in many areas and wholesale eggs averaged \$2.44 a dozen, up 140 percent from early May and nearly double the year-ago value, according to the U.S. Dept. of Agriculture.



Fortunately, the Avian Flu cannot be transmitted through cooked meat or eggs, precluding any public panic that keeps people away from restaurants, and restaurants away from eggs and poultry.

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What can restaurants do to mitigate the damage from such a calamity? A restaurant owner in Ohio took a creative approach by actually buying his own chicken farm. Spice Acres Farms in Brecksville, OH, manages a 14-acre farm that grows vegetables and raises chickens and pigs. He believes this is a way to insulate himself from mass diseases like the Asian Bird Flu.

That is drastic but says something about the need to be vigilant and careful when buying and caring for perishable products. Some large chains like IHOP® and Dunkin' Donuts were hardly affected by the epidemic, while WhataBurger cut back breakfast hours at 770 stores due to the rising cost of its eggs.

Some restaurateurs chose to go local and organic to protect themselves from the disease. Others relied on their contracts with large purveyors hoping for the best.

Whichever way you choose, it is important to buy from accredited manufacturers and distributors of all food products. It is essential that foodservice operators purchase from companies that follow national health guidelines.

Member Profile

THE PROVIDENCE BILTMORE

If you are going to get married in Providence, RI, there is no better spot than the Biltmore, the iconic 93-year-old hotel that towers over this East Coast capital.

More than 110 couples were married at the Providence Biltmore last year. One reason is the stunning, romantic view from the banquet room on the 17th floor overlooking Providence Bay. On Saturday nights, wedding guests view a panoramic of not only Rhode Island, but also the festive Water Fire that stretches over the three rivers running through the city. The Water Fire is an environmental art show, where 100 bonfires are set on

the water, lighting up the rivers and providing a majestic glow.

“It’s just amazing,” says Greg Morris, Director of Purchasing for the Providence Biltmore. “It is one of the main reasons people like to get married at our hotel.”

The Providence Biltmore itself is also a draw. Designed by architects Warren and Wetmore, who also designed New York City’s Grand Central Station, the rustic, brick building provides both glamour and history. It includes 300 rooms and recently underwent a major renovation of its aging infrastructure under the aegis of the Hilton Corporation, its new owners.



“No one can touch us when it comes to social events,” boasts Mr. Morris whose competition includes some of the finest Italian restaurants in the country situated on the famous Federal Hill, as well as four major hotels in the vicinity.

Morris is very proud of his catering business primarily because of his tenured staff that includes back and front of the house employees with more than 25 years at the Biltmore. “We have grandparents who came here in the 40’s and 50’s bringing their children and grandchildren and then ask to take photos with the staff because they remember them. That’s a wonderful moment for us and for them.”

One of the ways Mr. Morris, who has been at the Biltmore for 15 years and in the industry for 28 years, keeps up with the competition is through his Axis Purchasing program, which he began 10 years ago. “The programs Axis put in place have gotten better every year,” he says. “They provided The Biltmore with a market basket that greatly benefitted us and generated excess savings that have been phenomenal. I can go online, track my orders and scan my account for details. Axis helped us increase our drops so we save more and have also put us into manufacturers’ rebates.”

“We also get a lot of information about product recalls and other industry news and trends that keep us one step ahead of everyone else. I cannot say enough about the Axis program. It has been a blessing for The Biltmore,” he said.

Axis Purchasing and the Providence Biltmore – another successful marriage with a decade-long honeymoon that just keeps getting better.

Axis Purchasing Savings Programs Help Schools Make the Grade

In order to showcase its group purchasing programs for the education market, Axis Purchasing attended two high profile conferences in recent months:

The **Southeast School Business Officials Conference (SASBO)** in Myrtle Beach, SC, in April, where more than 250 finance, purchasing, and foodservice directors attended from K-12 schools.

The **New Horizons Trade Show** in Greensboro, NC, in June, where more than 300 school superintendents and foodservice operators attended educational sessions and learned about important foodservice programs such as Axis Purchasing.

For many years, Axis Purchasing has done its part in reducing school foodservice budgets. K-12 schools throughout the country have signed up with Axis Purchasing to take advantage of their contract pricing and manufacturer rebates. What the schools appreciate is when working with Axis, they don’t have to change any of their ordering processes nor their menus. Axis handles everything making it very easy for the schools.



Axis Featured Food Manufacturer

J.M. Smucker®

With A Name Like Smucker's It Has To Be Good.



For more than 115 years, Smucker's has been helping make family meals more memorable. It all started in 1897 when Jerome Monroe Smucker pressed cider from his mill in Orrville, Ohio and, shortly after, sold his first jar of apple butter from the back of a horse-drawn wagon. Jerome personally inspected and approved each jar, in which he put his signature on. You can still see his signature etched on every jar.

Fast forward to 2015, Smucker is a leading marketer and manufacturer of branded consumer food and beverage products, pet food and pet snacks in North America with annual net sales of approximately \$8 billion. The Company remains rooted in the Basic Beliefs of Quality, People, Ethics, Growth, and Independence established by its founder and namesake more than a century ago. Although publicly traded, Smucker's is still a family business, with the 5th generation leading the organization.

Smucker Foodservice is a division of The J.M. Smucker Company and specializes in meeting the needs of foodservice professionals. A wide range of quality products are offered through its family of iconic brands, which include Smucker's®, Jif®, Folgers®, and Sweet'n Low®.

When people think of Smucker's, they immediately think of Jams and Jellies. Did you know that Smucker's is the largest coffee manufacturer in the world? Axis offers over 300 contracted beverage items from J.M. Smucker, consisting of traditional roast, ground, and liquid concentrates with equipment and service being inclusive. Bring the country's #1 brand, Folgers® into your foodservice operation giving your customers a brand their families have trusted for generations.

Axis offers over 350 of J.M.Smucker's branded food items including bulk and portion controlled jams, jellies and preserves under the Smucker's and Dickinson's brands, with additional portion control items under the Crosse and Blackwell brand. In keeping with consumer trends, the company recently launched Smucker's Naturals®. The Axis contract is rounded out with Sugar In The Raw®, Stevia In The Raw®, P.E.T®, Eagle Brand®, Magnolia®, Crisco® and Jif® items.

For more information regarding our Brands and Products, please visit www.smuckerfoodservice.com or feel free to contact Axis' J.M. Smucker National Account Manager, Gerri Okinski at 312-231-9552 or geri.okinski@jmsmucker.com. © Smucker Foodservice, Inc. Sweet'N Low® is a registered trademark of CPC Intellectual Property, Inc. used under license.



Manufacturer Spotlight



Can Build Sales and Lower Costs

Axis Purchasing is proud to announce its partnership with Burry® Foods, a manufacturer and marketer of high quality brands of frozen baked goods. Their national line includes bagels, cake muffins, crackers and



croutons, covering key partners such as Udi's® Gluten Free products, Bakery de France® artisan breads, and Equal® zero-calorie sweeteners.

Burry Foods' partnership with national chain restaurants, convenience stores, and in-store bakeries goes even deeper to be a custom logistics solution. Its experienced professionals work with partners to identify new product needs. At the same time, its supply chain network provides an immediate national distribution solution; ensuring customers receive the right product to all locations on time and at a low cost.

To learn more about Burry Foods' products and distribution opportunities, contact Axis Purchasing



Sysco Terminates \$3.5B Merger Agreement With US Foods

Sysco Corporation announced that it has terminated its merger agreement with US Foods, days after the U.S. District Court in Washington, D.C., granted the Federal Trade Commission's request for a preliminary injunction to block the proposed Sysco-US Foods merger. This action also terminates an agreement with Performance Food Group (PFG) to purchase US Foods facilities in 11 markets.

Under terms of the merger agreement, the termination of the transaction requires Sysco to pay break-up fees of \$300 million to US Foods and \$12.5 million to PFG. "After reviewing our options, including whether

to appeal the Court's decision, we have concluded that it's in the best interests of all our stakeholders to move on," says Bill DeLaney, Sysco president and CEO. "We believed the merger was the right strategic decision for us, and we are disappointed that it did not come to fruition. However, we are prepared to move forward with initiatives that will contribute to the success of Sysco and our stakeholders.

DeLaney underscored Sysco's confidence in its existing business with a collective focus on the highest levels of customer service and satisfaction, growing the business, reducing costs and generating substantial value for Sysco's shareholders.

"Everything starts with the customer," DeLaney says. "Our vision remains clear: to be our customers' most valued and trusted business partner. If our customers succeed, then we succeed. Our relentless focus on providing exceptional customer service and differentiated solutions to help our customers grow is unwavering."

To continue reading, [click here](#).



Impact Beyond Chickens

“In Minnesota, the number of lost turkeys represent about 11% of our total turkey production,” says Brigid Tuck, senior economic impact analyst at the University

of Minnesota Extension. In Iowa, more than 29 million birds are thought to have been affected by avian flu, according to the Minnesota Department of Agriculture. About 40% of the state’s egg-laying chickens and 12% of its turkeys have been impacted.

The loss of eggs impacts everything from mayonnaise to salad dressings to cake mixes to pasta to bread. As an example, prices for breaker eggs (which are cracked open and then liquefied, dried or frozen and used as ingredients in other products) ballooned 273% between April and June 2015. Anything containing egg as the primary ingredient is going to see a price increase. Still, with domestic supplies considerably slashed, the US faces a 12 to 18 month timeframe to repopulate the supply chain. (Source: *US News & world Report, June 2015.*)

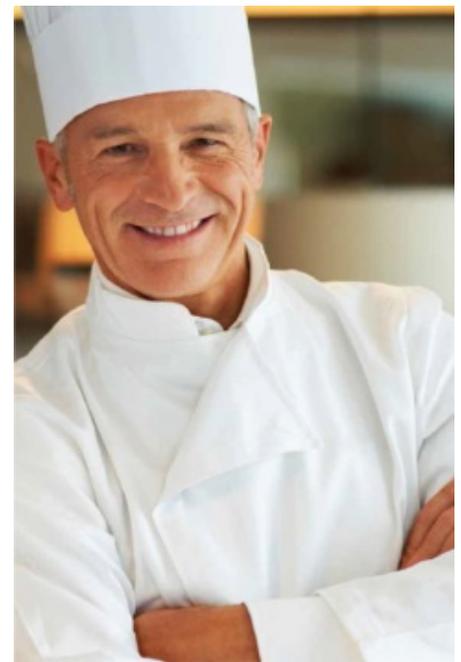
To read all the articles in the Summer 2015 Inflation Report, [click here](#).

About Us

Axis Purchasing was founded in 2006 on a simple premise. Busy food-service operators don’t have the time and resources to efficiently procure food and supplies, manage supplier relationships, costs and rebates, and stay abreast of continuous changes in markets and products. Axis found a way to handle those details for them while saving them money. **A lot of money.**

In fact, today our group purchasing power exceeds \$18 billion. That leverage combined with distribution and operational expertise has enabled us to provide unmatched support—maximizing manufacturer rebates, reducing invoice costs, and providing up-to-date market and product insight. Put simply, we guarantee maximum value: the most efficient delivery of all the right products at the lowest cost, year after year.

Find us at www.AxisPurchasing.com or call TODAY to learn what you have been missing.



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“There’s only one thing more rewarding than serving the best food...”

Serving it at a lower cost!”