

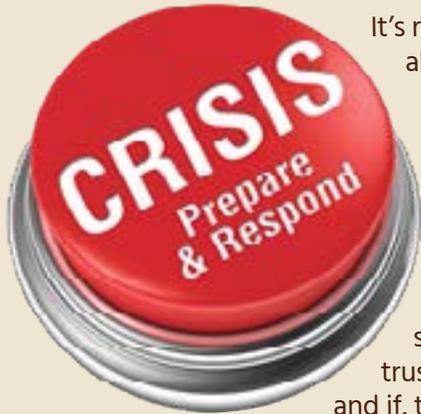


PEPPERONI TIMES

The Pizzaiolo's Pepperoni - May 2016

CRISIS MANAGEMENT
NIMA'S PIZZA
ITALIAN SANDWICHES
MARKET UPDATES
RECENT BLOGS

HOW TO MANAGE A CRISIS



It's really something foodservice operators generally don't think much about until it happens, but knowing how to manage a crisis may be the single most important skill set a restaurateur can have. The latest national chain in damage control mode has been Chipotle, which over the past year has experienced a series of food poisoning incidents. As a result, the leading fast casual Mexican food chain has seen its stock price plummet and consumer trust seriously eroded; it is difficult to say when and if, the chain will rebound.

In recent years, other national eateries have had their own crisis management to deal with: Denny's fought through racism accusations, Wendy's had to explain an alleged finger in their chili, Taco Bell had the beef filler controversy, Burger King was caught serving horsemeat, and Subway endured criticism for serving 11" "foot-long" sandwiches.

Food for thought: If it could happen to them, it can happen to you. Are you prepared? Here are five actions to consider in managing a crisis:

- 1. BE RESPONSIVE:** Anything that happens, good or bad, can be instantly communicated to thousands of people around the world via a multitude of social media platforms (Twitter, Facebook, Instagram, etc.). Get out in front of the issue. Be responsive, conciliatory and make it clear to the public that you have done the responsible thing.
- 2. SOLVE THE ISSUE:** Food manufacturers have serious plans of action when it comes to recalled items. Restaurants need to maintain this same type of paper trail, too. Find out what happened immediately, and have a process for managing its control and solution. Don't delegate crisis management. Top management needs to be involved in order to steady things.
- 3. STAY CALM:** One of the big problems when a crisis arises is that employees panic. How bad is it? Does it affect one customer or many? Can it affect the entire business? Such analysis will help you address the problem in a calm and collected manner. Think before you speak to the media or send out a tweet.
- 4. MAKE SURE THE STAFF STAYS ON MESSAGE:** It is up to management to train its staff about what to say or not say during a crisis. It's very important that all employees have the same message and response to customer questions. The best thing is to provide crisis management protocol in employee manuals so everyone is informed.
- 5. RESPOND, REPAIR AND REWARD:** Find a way to turn the situation around

(Continued on last page)

CUSTOMER PROFILE

NIMA'S PIZZA: A SLICE OF PIZZA NIRVANA IN SMALL TOWN USA



"Even New Yorkers have to come to Gassville, Arkansas to get the best pizza."

That is not just a simple statement of brashness but a statement of fact made by Chef Jane Mines, whose Nima's Pizza won the Southeast and Mid-American regional divisions at the International Pizza Challenge every year they have competed (2010-2013 and 2015-2016), as well as countless other culinary awards.

How, do you wonder, can a pizzeria in a small town of 1,800 residents be the home to the best pizza this side of Venice, Italy?

It is all due to Jane's artisan mastery of pizza that goes way beyond what anyone has ever conceived.

In doing so, Nima's has destroyed the timeworn marketing adage of "location, location, location" as main reason for retail success.

(Continued on next page)

NIMA'S PIZZA (Continued from page one)



Jane's husband and partner, Rick, a successful executive prior to owning the pizzeria, says instead, "If you make a quality product at a good price, you will be a success."

It is truly an amazing story considering the Mines knew nothing about making pizza or running a restaurant when they bought Nima's 13 years ago. Their only cooking experience was making gourmet meals for friends and family. "The previous owners weren't working at it and we came along knowing nothing about pizza and turned it into something very special," Rick recalls.

The town recently proclaimed Dec. 13, Nima's Pizza Day and appointed them official ambassadors of Gassville. Just last year, they were part of a four-person "U.S. Pizza Team"



to go to China for an international competition. Jane's creation came in second to Russia by .23 of a point. Rick's pizza came in third.

"We have so many awards and articles written there is not a surface in the entire restaurant that isn't covered by one," says Rick about their worldwide accolades.

Nima's is literally in the middle of nowhere in north central Arkansas, but ardent fans travel 90 minutes from Branson, MO and two hours from Springfield to eat their favorite pizza. During fishing season, the place is packed. In a normal week, Nima's grates 500 lbs. of cheese and goes through four cases of Liguria's 14 ct. Prima Quality in addition to a case of 5 ct. Deli Slice pepperoni from Liguria Foods.

Rick credits Liguria's pepperoni for much of their award-winning success. "Liguria's pepperoni is consistent day-in, day-out, year-in, year-out. To be successful, especially in the food business, you must produce a consistent product for your customer each and every visit.

"Liguria provides us with that edge. We have been using Liguria pretty much since we started and we would never switch. Other pepperonis we have tried were so greasy. We like it lean and if it is too greasy you cannot shape it into the flowers."

Flower-shaped pepperoni? "We take the pepperoni and turn it into a blooming rose or a tulip that sits in a mushroom cap on top of the pizza," says Rick about their award-winning pizza.

"Our secret is to take something simple and create something artistic," he adds. "We shape the pepperoni into a tulip using a jalapeno roasting pan and place in the oven for 10 seconds to take any grease out of the pepperoni. When it cools, it hardens and maintains the shape of a flower. We sauté diced pepperoni in butter-flavored olive oil.

"So, we have the cheese, sauce, sliced mushrooms and the crispy butter-flavored pepperoni on top and place the pepperoni flower in a mushroom cap which has been rimmed in hickory flavored sea salt. The tulip is filled with our customized cheese blend of Asiago, Romano, Parmesan, Colby and dessert Ricotta on top of the pie. The customer can eat the mushroom cap as an appetizer before eating the pizza."

This creative delectable concoction also looks like no other pizza; instead, it is made with the down-home country care and style that would go into Grandma's apple pie. Rick and Jane have put a lot of love into Nima's and their passion has turned them into the most unlikely worldwide success.

"We love this business. We treat pizza like a fine art," says Rick who also has an unabashed love affair with Jane. "We have been married 28 years and she is my life. We work together, play together, do everything together. Even when I say I am just going out for a quart of milk, she grabs her shoes and joins me."

It's a match made in pizza heaven.



PRODUCT SHOWCASE

THE REAL ITALIAN SANDWICH - 100% ITALIAN

At Liguria, we're very traditional. So when we see menus with Italian sandwiches, we have certain expectations about the meat and ingredients.

Italian means Italian, thus, we're not thrilled when we peek inside and discover slices of smoked turkey or boiled ham.

The classic Italian hoagie or hero sandwich should consist of only Italian meats, cheese and spices on an Italian ciabatta roll. Here's our take on this summertime favorite:

First, it's all about the layers ... our Italian sandwich is piled high with tasty ingredients to include:

- The meat: Thinly-sliced Genoa salami, Capicola, mortadella, prosciutto, and even a few deli pepperonis.
- The cheese: We're biased toward provolone but sliced mozzarella works too.
- The spices and spreads: Black or green olive tapenade, olive oil, basil pesto, balsamic vinegar, oregano, tomatoes, lettuce and a pepperoncini or two.

Before cutting and serving, place a heavy cutting board on the sandwich in order to compress the layers. We promise your customers will appreciate a real Italian sandwich and they'll keep coming back for more.



PROTEIN MARKET OUTLOOK

PORK MARKET UPDATE

Belly prices have been rallying sharply since the beginning of the year with 9-13# bellies surging into the upper \$150's to very low \$160's. That roughly represents a \$35 increase since the first of the year. Some of the supply disruptions during late January and early February, which was triggered by harsh winter weather, has contributed to this furious rally. A few buyers appear to be on a buying binge and willing to chase after product wherever it's available.

Retail and foodservice interest in breakfast items (particularly bacon and sausage) has been very strong this year. This trend is likely to continue through 2016 along with tightening available hog supplies.

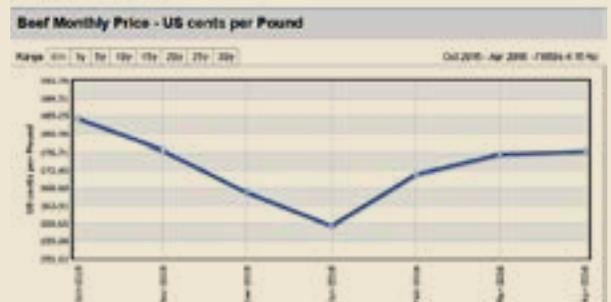
<http://www.indexmundi.com/commodities/?commodity=pork>

BEEF MARKET UPDATE

The dismal cattle feeding margins will continue to curtail fed beef production through mid-year. In addition, competing meat supplies are lessening, exports are expected to trend higher, and imports are declining, further tempering domestic beef supplies. While the nation's cattle inventory is being aggressively rebuilt from the sharp declines of recent years, sustained increases in beef, output will be delayed into the last half of 2016.

Limited fed beef supplies and renewed buyer interest for seasonal features heading into summer will likely support a strong seasonal price advance from mid-winter lows.

<http://www.indexmundi.com/commodities/?commodity=beef>



Liguria Foods uses sources that it believes to be reliable, but it cannot warrant the accuracy of any of the data or forecasts included in this report.

