SECTION E – REVISIONS OF ACTUARIAL COST METHOD, ASSUMPTIONS, AND PLAN PROVISIONS

1. Change in Actuarial Cost Method

There was no change in actuarial cost method effective January 1, 2013.

2. Changes in Actuarial Assumptions

a. Investment Earnings – Dedicated Assets and Liabilities

The investment earnings rate assumptions used to value Plan liabilities have been revised for dedicated assets in the second and third asset categories listed below. As in prior valuations, the revisions to the dedicated account assumptions were made solely to reflect changes in the relationships between the amortized cost value of these accounts and the projected cash flow generated by such assets.

- Fixed Dollar Account: The assumed annual rates of return are the same as those assumed in the January 1, 2012 valuation and grade down from 6.7% in 2013 to 6.5% in 2015 and thereafter.

- 1982/1984 Annuity Account: The assumed annual rate of return has been changed to a level 3.55% from the previous valuation assumption of 4.20%.

- Strategic Bond Account (SBA): The assumed annual rate of return has been changed to a level 4.99% from the previous valuation assumption of 5.43%.

- Remaining Assets/Benefits: The annual rate of return assumed for benefits not covered by the dedicated accounts, and for the normal cost calculations, remains at 7.0%.

- Current Liability: These rates are prescribed by Internal Revenue Code Section 431(c)(6), and are likely to change every year to reflect current market short term rates. The rate for this year is 3.78%, and was 4.29% last year.

EIN/PN: 91-6145047/001
Schedule MB, Line 11, Justification for Change in Actuarial Assumptions.

SECTION E – REVISIONS OF ACTUARIAL COST METHOD, ASSUMPTIONS, AND PLAN PROVISIONS

b. Expenses: Assumed annual expenses have remained unchanged at $85 million, payable monthly.

c. Valuation Mortality Rates: Valuation mortality tables have remained unchanged since the prior actuarial valuation.

d. Current Liability Mortality Rates: This table of rates is prescribed by Internal Revenue Code Section 431(c)(6), and is likely to change every year.

3. Changes in Plan Provisions, Contribution Rates and PEER Coverage

The actuarial liabilities for the Plan are determined based on Plan provisions, contribution rates, PEER levels, and status of the participants on the effective date of the valuation. There were no plan changes during 2012 that would have a material impact on the actuarial liabilities. Contribution rates generally have been increasing, contributing to increases in the actuarial liabilities. PEER levels have been fairly constant for the last several years, but any changes do contribute to changes in the actuarial liabilities.

EIN/PN: 91-6145047/001
Schedule MB, Line 11, Justification for Change in Actuarial Assumptions.

SECTION H – PARTICIPANT DATA

The sources of WCT Plan participant data for our actuarial calculations are: (a) extracts from Prudential Investments' Annuitant Benefit Consolidation (ABC) System file, (b) extracts from the T2 Participant Data File (PDF) maintained by Northwest Administrators and Prudential Investments, and (c) extracts from the Western States Food database.

The following paragraphs describe how the data were prepared for valuation purposes and present statistical characteristics of the data base.

1. <u>Data Base for Active and Vested Inactive Participants</u>

Northwest Administrators sent us a December 31, 2012 valuation data file that included T2 extract records for all vested participants, a 5% sub-file of non-vested participants (Social Security numbers ending in 00, 05, 10, 15, or 20), and all claims and deaths for the last five years.

From this file containing 400,170 records, we selected the 5% sample valuation file for all active participants, both vested and non-vested, and for all vested inactive participants. A participant was considered Active as of January 1, 2013 if he or she was not included on the ABC file as retired as of the valuation date, and if he/she earned at least 250 covered hours during 2012, or earned at least 1 covered hour in 2012 and at least 250 covered hours in 2011.

9,086 Non-Seasonal Active 5% sample records representing 181,720 participants were included in the valuation. For this purpose, Active participant records with non-seasonal industry codes or with 1,000 or more covered hours in each of the last two years were considered Non-Seasonal.

618 Seasonal Active 5% sample records representing 12,360 participants were included in the valuation. Active participants with a seasonal industry code and less than 1,000 covered hours in one or both of the last two years were considered Seasonal.

8,427 Vested Inactive 5% sample records representing 168,540 participants were included in the valuation. In addition, 24 sample records for participants vested only under the WSF Plan (representing 480 participants) were valued separately and incorporated in the liability bringing the total number of vested terms valued to 169,020.

382,039 T2 extract records were not used for the valuation. These records primarily represent non-5% sample participant records, pre-valuation date claims, and non-vested inactives.

EIN/PN: 91-6145047/001
Schedule MB, Line 11, Justification for Change in Actuarial Assumptions.

SECTION H – PARTICIPANT DATA

- Based on the data for continuing non-seasonal Active participants in the sample who worked 500 or more hours in each of the last two years, the Plan's hourly contribution rates for "continuing" Non-Seasonals increased an average of 5.4%. When the data are analyzed by broad contribution rate groupings, the average increase for groups with hourly rates $2.00 and below was 2.7% while the average increase was 7.1% for rate groups between $2.00 and $4.00, and 6.1% for rate groups over $4.00. The higher contribution rate groups generally have longer service and older age characteristics than the lower rate groups, and they are becoming a larger portion of the total population. Table 2013-2 presents substantial statistical data on rate increases during the most recent four Plan years.

3. Comparison of Sample Data Characteristics with Full Population Data Characteristics

Each year, we receive three Employee Census Reports from the Administrative Office based on the T2 Participant Data File (PDF). The first report contains information for the full population of Plan participants and the second and third contain corresponding information for the 2% and 5% samples of the full population. A comparison of key information from the full population and 5% reports is used to corroborate our assumption that the sample records adequately represent the total population (see Table 2013-1).

4. Procedures to Account for Data with Missing or Invalid Birthdates or Sex Codes

Records with missing or invalid birthdates were accounted for by prorating the present values generated by the records with valid birthdates, based on the number of career hours in the records with missing or invalid birthdates. The prorating is done separately for employee groups categorized by valuation industry code (Non-Seasonal or Seasonal), valuation status (Active or Vested Inactive), sex code and vesting status. This straightforward approach is adequate because of the very small liability represented by the relatively few participants in the data sample whose records are lacking valid birthdates.

Records with missing sex codes were assumed to represent males in the Non-Seasonal group and females in the Seasonal group. We have concluded that this assumption is reasonable based on the population characteristics illustrated in this section.

EIN/PN: 91-6145047/001
Schedule MB, Line 11, Justification for Change in Actuarial Assumptions.