



Bellissimo Foods - Market Update

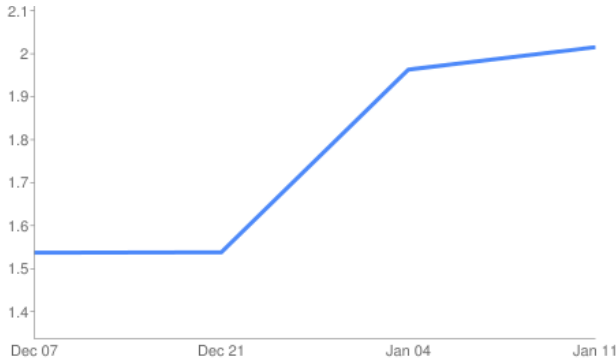
Week Ended January 12, 2018 Summary

“Market Data from Foodservice.com (www.foodservice.com)”



BEEF - Beef output last week rose 7.8% but was down .5% from the same week last year. The USDA is estimating winter beef production to be just 2.1% better than last year. However, much stronger annual gains are projected for the spring. Forward beef sales have been lackluster as of late. The four-week total sales for delivery at least 21 days out is the smallest since July and down slightly from a year ago. At the same time, cattle slaughter is anticipated to increase in the near term which could temper the upside in beef prices. U.S. beef exports in November were 3.7% more than the prior year and the largest for any month since the summer of 2013. China accounted for just .8% of that trade.

Ground Beef

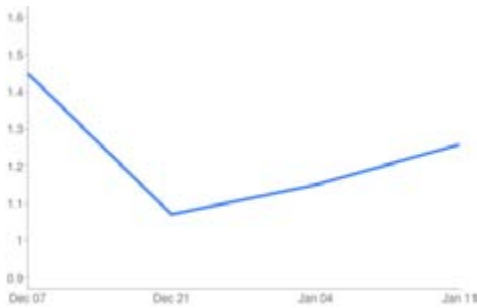


BEEF	Price	LstWk	Diff	Price 17
Ground Beef 81/19	\$2.015	\$1.963	\$0.0520	\$1.913
Ground Chuck	\$2.136	\$2.008	\$0.1280	\$2.070
116 Chuck (select)	\$2.888	\$2.990	(\$0.1020)	\$2.791
168 Inside Round (ch.)	\$2.127	\$2.131	(\$0.0040)	\$1.888
184 Top Butt, bnls (ch.)	\$3.402	\$3.226	\$0.1760	\$2.408
193 Flank Steak (choice)	\$4.625	\$4.470	\$0.1550	\$4.187
50% Trimmings	\$0.761	\$0.646	\$0.1150	\$0.487
75% Trimmings	\$1.570	\$1.575	(\$0.0050)	\$1.367
90% Trimmings	\$2.129	\$2.122	\$0.0070	\$2.032



PORK - Pork production rose 2% last week and was 3.3% larger than last year. Increasing production capacity, however, is bringing support to hog prices. Seasonally rising demand is bringing support to some of the pork markets. However, history suggests the upside is likely limited in the near term, especially with the added production capacity. U.S. pork exports in November were 5.1% bigger than the previous year and a record for any month. The USDA is forecasting pork exports to rise 6% this year which could underpin prices.

Belly (bacon)

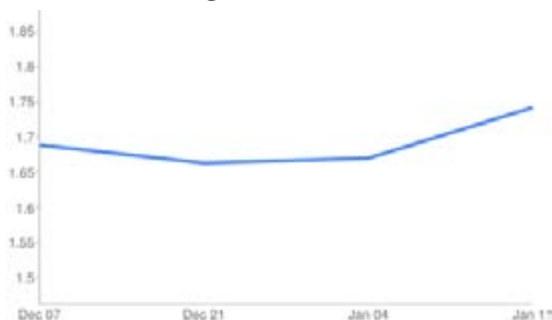


PORK	Price	LstWk	Diff	Price 17
Live Hogs	\$0.472	\$0.429	\$0.0430	\$0.415
Belly (bacon)	\$1.258	\$1.150	\$0.1080	\$1.222
Ham (23-27 lb.)	\$0.594	\$0.573	\$0.0210	\$0.497
Loin (bone-in)	\$0.713	\$0.738	(\$0.0250)	\$0.813
Tenderloin (1.25 lb.)	\$2.045	\$2.166	(\$0.1210)	\$2.124
Picnic, untrmd.	\$0.613	\$0.660	(\$0.0470)	\$0.572
42% Trimmings	\$0.261	\$0.229	\$0.0320	\$0.259



POULTRY - Chicken output for the last week of 2017 fell 13% from the previous week due to the holiday but was 3.8% larger than the same week the prior year. The six-week total of chicken production was 3.5% better than 2016. Recent data suggests that year-over-year chicken output expansion could slow in the near term. The six-week moving average for chick-placements was just 1.1% better than last year. U.S. chicken exports during November were 2.2% bigger than the previous year and the largest for the month since 2013. The USDA is forecasting chicken exports this year to rise 3% which is likely to be supportive of the leg quarter and thigh markets.

Wings Jumbo Cut



POULTRY	Price	LstWk	Diff	Price 17
Wings (jumbo, cut)	\$1.742	\$1.670	\$0.0720	\$1.909
Wing Index- (ARA)	\$1.719	\$1.702	\$0.0170	\$1.923
Breast, Bnless Index (ARA)	\$1.075	\$1.066	\$0.0090	\$1.006
Tenderloin Index- (ARA)	\$1.386	\$1.379	\$0.0070	\$1.336
Legs (whole)	\$0.503	\$0.481	\$0.0220	\$0.393
Leg Qtr Index (ARA)	\$0.330	\$0.362	(\$0.0320)	\$0.287
Thighs, bone in	\$0.557	\$0.462	\$0.0760	\$0.393



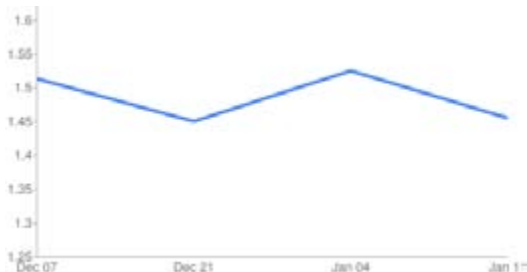
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DAIRY - CME butter prices have remained mostly range-bound but at historically high levels. U.S. butter exports in November were 37% larger than the previous year while imports were down 10.5%. This, and smaller carrying stocks, caused the available domestic supply during the month to be nearly 3% less than 2016. Butter consumption in the U.S. has softened with the inflated prices which suggests the upside price risk may only be modest. The CME cheese markets are on the decline with barrels falling to a one-year plus low. CME cheese barrels should find support soon.

Cheese Blocks



Dairy	Price	Last Week	Difference
Barrels	\$1.2855	\$1.4038	(\$0.1183)
40 lb. blocks	\$1.4555	\$1.5156	(\$0.0601)
Butter	\$2.1705	\$2.2238	(\$0.0532)
NFDM-Grade A	\$0.6700	\$0.6725	(\$0.0025)



OIL & GRAINS - Wheat futures markets are eagerly awaiting tomorrow's USDA World Agricultural Supply and Demand Estimate Reports. Spring wheat futures prices are higher since last week with a flat basis overall; winter wheat futures prices are nearly unchanged, but high protein winter wheat basis premiums are higher. It is thought if the report estimates less US winter wheat acreage planted, it will be supportive to wheat futures, but without an increase in demand any rally should prove temporary. Acres planted to winter wheat are reportedly the lowest in more than 100 years. Increasing drought and recent swing between very cold and a return to warm weather could prove to have damaged the small crop. However, it is impossible to determine the effect on the wheat until it breaks dormancy many weeks from now. We expect high protein winter wheat to command a significant premium well into new crop this summer, and transportation concerns driven by winter weather can mean temporarily higher wheat and flour prices as well.

GRAINS + OILS	Price	LstWk	Diff	Price 17
Soybeans, bushel	\$9.313	\$9.331	(\$0.0180)	\$9.81
Crude Soybean Oil, lb.	\$0.323	\$0.321	\$0.0020	\$0.34
Corn, bushel	\$3.320	\$3.335	(\$0.0150)	\$3.39
Crude Corn Oil, lb.	\$0.334	\$0.334	-	\$0.38
Distillers Grain, Dry	\$145.250	\$141.458	\$3.7920	\$102.69
HRW Wheat, bushel	\$4.220	\$4.178	\$0.0420	\$3.73
DNS Wheat 14%, bushel	\$6.408	\$6.280	\$0.1280	\$5.66
Durum Wheat, bushel	\$6.176	\$6.253	(\$0.0770)	\$6.21



KITCHEN SINK - Orange juice prices have fallen sharply as of late despite the hurricane damage to the Florida crop. Orange supplies from Florida are expected to fall to a 73-year low.

However, lackluster orange juice demand and strong Brazilian output could temper the upside in prices.

Kitchen	Price	LstWk	Diff	Price 17
Whole Peeled, Stand (6/10)	\$12.249	\$12.249	-	\$11.94
Tomato Paste- Industrial (lb.)	\$0.454	\$0.454	-	\$0.44
Coffee, lb., ICE	\$1.252	\$1.302	(\$0.0500)	\$1.48
Sugar, lb., ICE	\$0.267	\$0.271	(\$0.0040)	\$0.29



**EURO vs.
US Dollar**

Current: \$0.8245

Lowest Last 30 Days: \$0.8235

Highest Last 30 Days: \$0.8514



Energy Commodities

ENERGY	Price	LstWk	Diff	Price 17
Crude Oil, barrel- ny-mex	\$63.420	\$61.400	\$2.0200	\$51.32
Natural Gas, mbtu- ny-mex	\$2.952	\$2.987	(\$0.0350)	\$3.31
Diesel Fuel, gal- nymex	\$2.081	\$2.073	\$0.0080	\$1.63
Electricity, mwht- ny-mex	\$50.880	\$51.500	(\$0.6200)	\$44.99
Gasoline, gal- nymex	\$1.845	\$1.798	\$0.0470	\$1.58
Diesel Fuel, gal- eia	\$2.996	\$2.973	\$0.0230	\$2.60
Ethanol, gal- usda	\$1.275	\$1.235	\$0.0400	\$1.45