



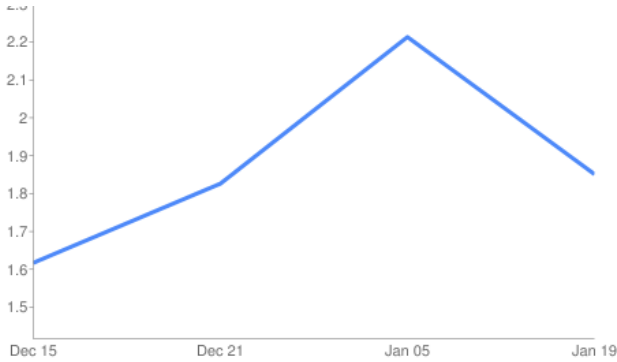
# Bellissimo Foods - Market Update Week Ended January 20, 2017 Summary

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



**BEEF** - Beef production last week rose 13.2% from the prior holiday shortened week and was up 6.3% compared to 2016. Spot cattle prices have firmed due in part to seasonally tightening supplies but beef output is anticipated to continue to trend above year ago levels. The USDA is forecasting average daily beef production during the first quarter of this year to be 3.5% more than the previous year. Beef prices have fallen sharply during the last week. However, this is starting to encourage demand. Weekly spot beef shipments rose to a seven-week high. Further, forward beef sales have been strong. This suggests the downside price risk in the near term may only be modest.

## Ground Beef

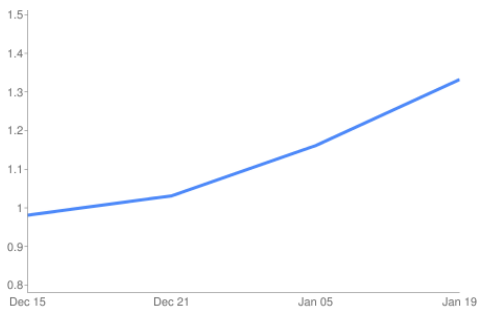


BEEF	Price	LstWk	Diff	Price 16
Ground Beef 81/19	\$1.851	\$1.913	(\$0.0620)	\$2.372
Ground Chuck	\$1.750	\$2.070	(\$0.3200)	\$2.605
116 Chuck (select)	\$2.598	\$2.791	(\$0.1930)	\$3.102
168 Inside Round (ch.)	\$1.984	\$1.888	\$0.0960	\$2.546
184 Top Butt, bnls (prime)	\$2.656	\$2.575	\$0.0810	\$3.427
193 Flank Steak (choice)	\$4.308	\$4.187	\$0.1210	\$5.451
50% Trimmings	\$0.579	\$0.487	\$0.0920	\$0.708
75% Trimmings	\$1.365	\$1.367	(\$0.0020)	\$1.354
90% Trimmings	\$2.021	\$2.032	(\$0.0110)	\$2.027



**PORK** - Pork output last week rose 15.1% and was up 3% versus the same week a year ago. Ample hog supplies should continue to fuel strong year over year expansion in production. The USDA is forecasting Q1 2017 pork production to be 4.7% bigger than the prior year after an adjustment for the 2016 leap day. Pork demand has been relatively solid. As a matter of fact, pork belly stocks declined during the month of November for the first time going back to at least 2000. But solid output may limit the upside in pork prices into the spring.

## Belly (bacon)

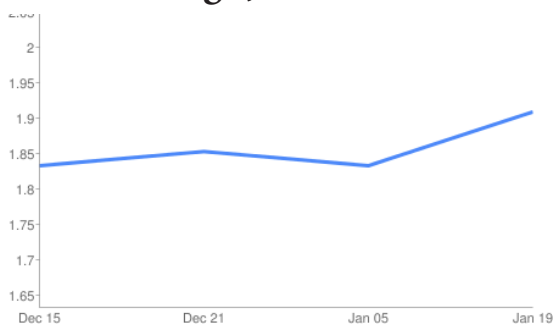


PORK	Price	LstWk	Diff	Price 16
Live Hogs	\$0.454	\$0.415	\$0.0390	\$0.389
Belly (bacon)	\$1.332	\$1.222	\$0.1100	\$1.161
Ham (23-27 lb.)	\$0.545	\$0.497	\$0.0480	\$0.579
Loin (bone-in)	\$0.823	\$0.813	\$0.0100	\$0.808
Tenderloin (1.25 lb.)	\$2.192	\$2.124	\$0.0680	\$2.143
Picnic, untrmd.	\$0.538	\$0.572	(\$0.0340)	\$0.382
42% Trimmings	\$0.256	\$0.259	(\$0.0030)	\$0.214
72% Trimmings	\$0.764	\$0.749	\$0.0150	\$0.478



**POULTRY** - Chicken production for the week ending January 7th was down 5.8% from the same week the previous year but the lower output was due almost entirely due to the January 2nd holiday. The USDA is forecasting average daily chicken output during the first quarter to be 2.5% bigger than last year. Chicken breast prices have firmed with the weekly ARA Boneless Skinless Chicken Breast Index climbing to an eight-week high. However, they remain historically inexpensive for early January trading at their second lowest levels in at least 17 years. Some modest chicken breast price increases are anticipated in the coming months. However, ample alternative protein supplies may temper any forthcoming chicken breast market increases.

## Wings Jumbo Cut



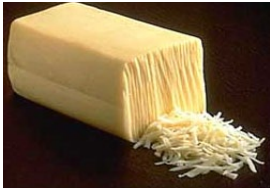
POULTRY	Price	LstWk	Diff	Price 16
Wings (jumbo, cut)	\$1.909	\$1.909	-	\$1.641
Wing Index- (ARA)	\$1.927	\$1.923	\$0.0040	\$1.754
Breast, Bnless Index (ARA)	\$0.998	\$1.006	(\$0.0080)	\$1.050
Tenderloin Index- (ARA)	\$1.338	\$1.336	\$0.0020	\$1.276
Legs (whole)	\$0.396	\$0.393	\$0.0030	\$0.380
Leg Qtr Index (ARA)	\$0.284	\$0.287	(\$0.0030)	\$0.213
Thighs, bone in	\$0.565	\$0.393	\$0.1720	\$0.484
Thighs, boneless	\$0.874	\$0.947	(\$0.0730)	\$0.676



# Bellissimo Foods - Market Update

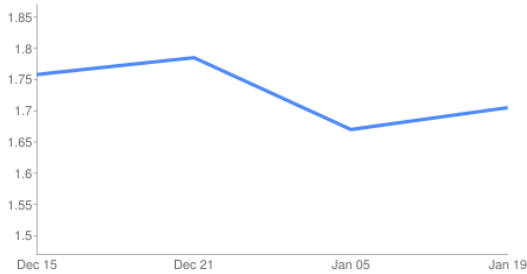
## Week Ended January 20, 2017 Summary

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**DAIRY** - The CME cheese markets are trading at noteworthy discounts to the international markets which is encouraging exports. During November, U.S. cheese exports were 9.7% larger than the prior year and the biggest for any month since the fall of 2014. The downside price risk in the cheese markets from here may be nominal. The CME butter market continues to trade at fairly inflated levels. Producers are cautious to build butter inventories as they usually do in January at these prices levels. This is likely to put downward pressure on the butter market over the next few weeks.

### Cheese Blocks



Dairy	Price	Last Week	Difference
Barrels	\$1.5869	\$1.6250	(\$0.0381)
40 lb. blocks	\$1.7038	\$1.7200	(\$0.0162)
Butter	\$2.2450	\$2.2695	(\$0.0245)
NFDM-Grade A	\$1.0200	\$1.0265	(\$0.0065)



**OIL & GRAINS** - Wheat futures prices continued to move higher this week. Basis premium prices are firm. Winter wheat futures found strong support beginning with last week's USDA report that estimated plantings this year are down 10% and the smallest area planted in more than 100

years. Reports also increased estimates of winter wheat stocks, but there are quality issues with some of what winter wheat is in stock. U.S. spring wheat futures have been supported by strong demand due to quality issues in countries that compete on the export market. However, since the New Year, this support is translating to significantly stronger prices. Weather and rail performance are among other factors that could mean we will see higher wheat and flour prices as the market is turning attention to future crops where the outcome is less certain.

GRAINS + OILS	Price	LstWk	Diff	Price 16
Soybeans, bushel	\$10.350	\$9.812	\$0.5380	\$8.70
Crude Soybean Oil, lb.	\$0.341	\$0.341	-	\$0.29
Corn, bushel	\$3.460	\$3.387	\$0.0730	\$3.53
Crude Corn Oil, lb.	\$0.381	\$0.378	\$0.0030	\$0.40
Distillers Grain, Dry	\$98.146	\$102.688	(\$4.5420)	\$129.44
HRW Wheat, bushel	\$3.870	\$3.730	\$0.1400	\$4.50
DNS Wheat 14%, bushel	\$5.680	\$5.660	\$0.0200	\$5.11
Durum Wheat, bushel	\$5.863	\$6.212	(\$0.3490)	\$5.83



**KITCHEN SINK** - Canned tomato supplies are historically big. According to the California League of Food Processors, the December 1st processed tomato supply was .3%

bigger than last year. Fairly engaging canned tomato prices may persist.

Kitchen	Price	LstWk	Diff	Price 16
Whole Peeled, Stand (6/10)	\$12.137	\$11.937	\$0.2000	\$12.28
Tomato Paste- Industrial (lb.)	\$0.449	\$0.442	\$0.0070	\$0.46
Coffee, lb., ICE	\$1.499	\$1.477	\$0.0220	\$1.12
Sugar, lb., ICE	\$0.293	\$0.290	\$0.0030	\$0.26

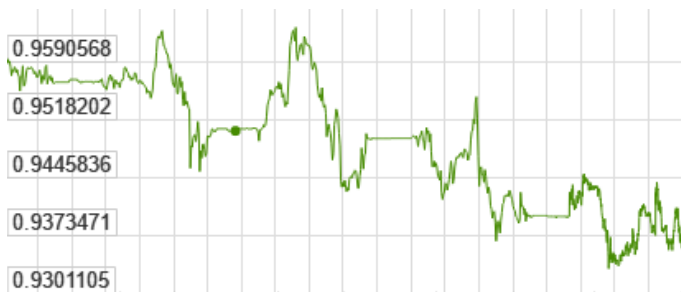


### EURO vs. US Dollar

Current: \$0.9369

Lowest Last 30 Days: \$0.9341

Highest Last 30 Days: \$0.9625



### Energy Commodities

ENERGY	Price	LstWk	Diff	Price 16
Crude Oil, barrel- nymex	\$51.510	\$51.320	\$0.1900	\$29.03
Natural Gas, mbtu- nymex	\$3.323	\$3.307	\$0.0160	\$2.12
Diesel Fuel, gal- nymex	\$1.637	\$1.634	\$0.0030	\$0.89
Electricity, mwht- nymex	\$44.660	\$44.990	(\$0.3300)	\$35.00
Gasoline, gal- nymex	\$1.593	\$1.575	\$0.0180	\$1.04
Diesel Fuel, gal- eia	\$2.585	\$2.597	(\$0.0120)	\$2.11
Ethanol, gal- usda	\$1.397	\$1.448	(\$0.0510)	\$1.21