

Bellissimo Foods - Market Update

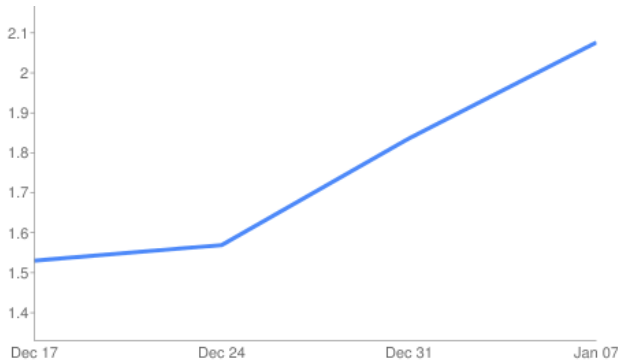
Week of January 22, 2016 Summary

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



BEEF - Beef production last week rose 3.2% and was 6.3% larger than the same week last year. Beef output is anticipated to trend above 2015 through the next several months. The USDA is forecasting beef production during the first half of 2016 to be 4.7% better than the previous year. Beef prices have risen 23% since bottoming before the holidays. However, buyers are starting to push back on the higher prices. Spot beef shipments last week fell to a five month low for any non-holiday week. Thus, several beef markets could move lower in the not-so-distant future. Last year, the choice 168 inside round market (10.7%) and 114a chuck shoulder clod (12.1%) declined sharply during the next two weeks. Price USDA, FOB per pound.

Ground Beef 81/19

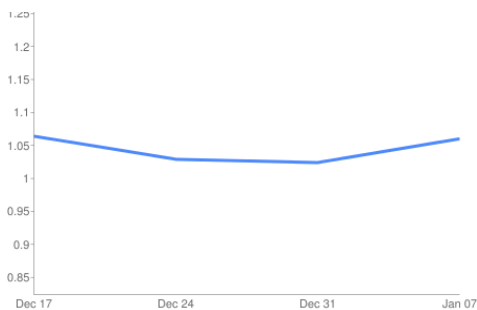


BEEF	Price	LstWk	Diff	Price 15
Ground Beef 81/19	\$2.372	\$2.301	\$0.0710	\$2.931
Ground Chuck	\$2.605	\$2.571	\$0.0340	\$3.073
116 Chuck (choice)	\$3.364	\$3.317	\$0.0470	\$3.269
168 Inside Round (ch.)	\$2.546	\$2.707	(\$0.1610)	\$2.753
184 Top Butt, bnls (ch.)	\$3.427	\$3.375	\$0.0520	\$3.610
193 Flank Steak (choice)	\$5.451	\$5.250	\$0.2010	\$5.632
50% Trimmings	\$0.708	\$0.775	(\$0.0670)	\$1.446
75% Trimmings	\$1.354	\$1.357	(\$0.0030)	\$2.290
90% Trimmings	\$2.027	\$1.979	\$0.0480	\$3.032



PORK -Pork output last week declined 2.8% but was 1.2% better than last year. Hog slaughter was the smallest for any non-holiday week since October. Pork production usually peaks in the late fall to early winter period before turning downward. Further, the USDA is forecasting first quarter 2016 pork output to be just .7% bigger than last year. These factors could bring support to the pork markets in the coming months. The five year average move in the USDA pork cutout during the next 12 weeks is higher by 13%. Prices USDA, FOB per pound.

Belly (bacon)

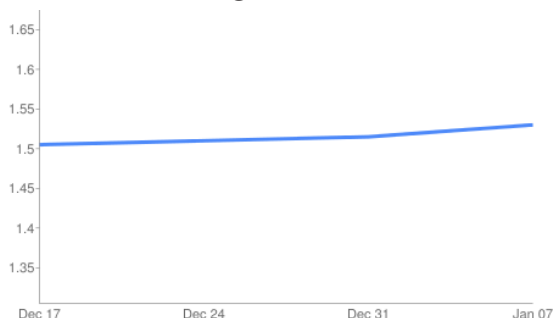


PORK	Price	LstWk	Diff	Price 15
Live Hogs	\$0.389	\$0.377	\$0.0120	\$0.512
Belly (bacon)	\$1.161	\$1.081	\$0.0800	\$1.101
Ham (23-27 lb.)	\$0.579	\$0.535	\$0.0440	\$0.772
Loin (bone-in)	\$0.808	\$0.763	\$0.0450	\$0.931
Tenderloin (1.25 lb.)	\$2.143	\$2.047	\$0.0960	\$2.713
Picnic, untrmd.	\$0.382	\$0.369	\$0.0130	\$0.510
42% Trimmings	\$0.214	\$0.203	\$0.0110	\$0.395
72% Trimmings	\$0.478	\$0.429	\$0.0490	\$0.707

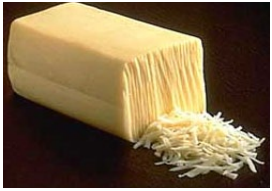


POULTRY - Chicken production for the week ending January 9th was .1% less than last year. Turkey output for the same week was up 1% compared to 2015. Seasonally rising demand is lifting the chicken wing markets and history suggests additional price increases are likely in the coming weeks. The USDA recently discovered multiple cases of avian flu in turkeys in Indiana. It is a different strain that decimated the turkey and table egg industry last spring and is believed to have a much smaller impact on the industries. However, it is important to monitor as Indiana typically accounts for 9% of table egg and 11% of turkey domestic production. The egg and turkey markets are expected to consistently fall below 2015 levels later this year. Prices USDA, FOB per pound except when noted.

Wings (whole)

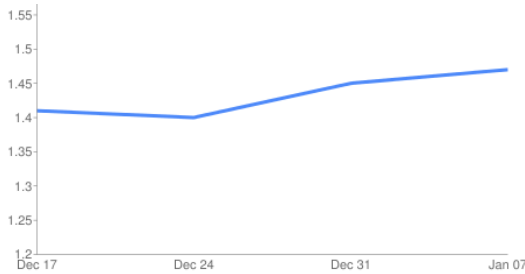


POULTRY	Price	LstWk	Diff	Price 15
Wings (whole)	\$1.635	\$1.580	\$0.0550	\$1.760
Wings (jumbo, cut)	\$1.641	\$1.697	(\$0.0560)	\$1.882
Breast, Bone In	\$0.925	\$0.950	(\$0.0250)	\$1.890
Breast, Bnless Skinless	\$1.475	\$1.465	\$0.0100	\$1.372
Tenderloin (random)	\$1.500	\$1.400	\$0.1000	\$1.940
Tenderloin (sized)	\$1.700	\$1.600	\$0.1000	\$0.578
Legs (whole)	\$0.380	\$0.336	\$0.0440	\$0.510
Leg Quarters	\$0.335	\$0.340	(\$0.0050)	\$0.392



DAIRY - The CME cheese markets remain engaging for buyers. Cheese export demand is lethargic and the relatively warm fall in the Midwest has boosted milk output. December was the warmest in Wisconsin on record and 3.7 degrees warmer than the prior record set in 1923. Still, colder temperatures this winter along with curbed milk production in California could bring modest support to the cheese markets. The butter market remains inflated. Unless the domestic nonfat dry milk and international milk powder markets turn higher domestic butter prices may remain expensive. Prices per pound, except Class I Cream (hundred weight), from USDA.

Cheese Blocks



DAIRY	Price	Last Week	Difference
Barrels	\$1.4781	\$1.5245	(\$0.0464)
40 lb. blocks	\$1.4775	\$1.4870	(\$0.0095)
Butter	\$2.1438	\$2.1145	\$0.0292
NFDM-Grade A	\$0.7263	\$0.7405	(\$0.0143)



OIL & GRAINS - Wheat futures fell further below the \$5.00 per bushel level this week. Basis premium values are firm to higher for nearly all grades of U.S. wheat. We see this offset pattern over and over in years where world wheat futures prices are deflated, the domestic basis moves higher in an effort

to keep wheat sales moving. Market participants tried to understand the effect, if any, that plummeting world futures exchanges lead by China could have on wheat values. U.S. wheat exports are extremely small at this time. While this keeps the pressure on wheat prices, money arriving to commodity markets from other disappointing investment arenas can lead to counter-productive price moves higher. Extremely low oil prices interfere with ethanol and biodiesel profitability, removing support from corn prices and subsequently, wheat prices.

GRAINS + OILS	Price	LstWk	Diff	Price 15
Soybeans, bushel	\$8.700	\$8.635	\$0.0650	\$9.66
Crude Soybean Oil, lb.	\$0.289	\$0.281	\$0.0080	\$0.33
Corn, bushel	\$3.529	\$3.420	\$0.1090	\$3.70
Crude Corn Oil, lb.	\$0.400	\$0.400	-	\$0.36
Distillers Grain, Dry	\$129.438	\$129.292	\$0.1460	\$178.32
HRW Wheat, bushel	\$4.500	\$4.580	(\$0.0800)	\$5.77
DNS Wheat 14%, bushel	\$5.110	\$5.270	(\$0.1600)	\$6.04
Durum Wheat, bushel	\$5.833	\$6.056	(\$0.2230)	\$9.47
Sugar, lb. NYBOT	\$0.249	\$0.268	(\$0.0190)	\$0.22



KITCHEN SINK - Since making a four year high in December, the nearby cocoa futures market has declined 16.9%. However, relatively strong European cocoa crush data could push the market higher in the near term. Price bases noted below.

Kitchen	Price	LstWk	Diff	Price 15
Whole Peeled, Stand (6/10)	\$12.297	\$12.281	\$0.0160	\$12.74
Tomato Paste- Industrial (lb.)	\$0.455	\$0.455	-	\$0.47
Coffee, lb., ICE	\$1.118	\$1.154	(\$0.0360)	\$1.63
Sugar, lb., ICE	\$0.258	\$0.260	(\$0.0020)	\$0.26



EURO vs. US Dollar

Current: \$0.926337
Lowest Last 30 Days: \$0.9102
Highest Last 30 Days: \$0.9323



Energy Commodities

ENERGY	Price	LstWk	Diff	Price 15
Crude Oil, barrel- nymex	\$29.030	\$31.090	(\$2.0600)	\$46.72
Natural Gas, mbtu- nymex	\$2.117	\$2.293	(\$0.1760)	\$2.99
Diesel Fuel, gal- nymex	\$0.888	\$0.997	(\$0.1090)	\$1.60
Electricity, mwht- nymex	\$35.000	\$38.750	(\$3.7500)	\$52.25
Gasoline, gal- nymex	\$1.043	\$1.079	(\$0.0360)	\$1.35
Diesel Fuel, gal- eia	\$2.112	\$2.177	(\$0.0650)	\$2.93
Ethanol, gal- usda	\$1.209	\$1.234	(\$0.0250)	\$1.28