

Bellissimo Foods - Market Update

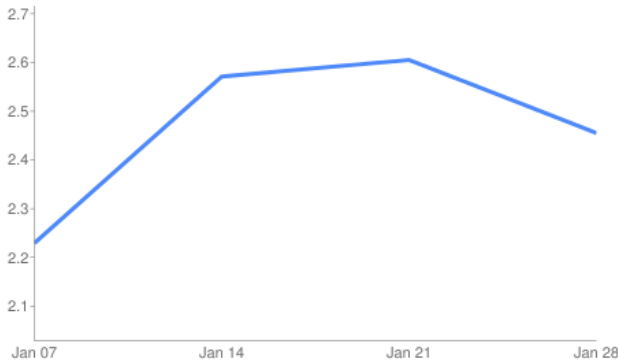
Week of January 29, 2016 Summary

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



BEEF - Beef output last week declined .2 but was .4% better than the same week last year. The January 1 cattle on feed inventory was .5% smaller than last year, however, the near slaughter ready cattle supply is bigger. Cattle placements into feedlots during December were down .8 from 2014. The average placement weight was 1.7% heavier. Solid beef production gains versus 2015 are anticipated this winter. Many of the beef markets have softened during the last week due in part to a downturn in shipments. However, retailers may be planning further feature activity which could bring support to the markets soon. Choice boxed beef forward beef shipments last week were the biggest since July. Price USDA, FOB per pound.

Ground Chuck

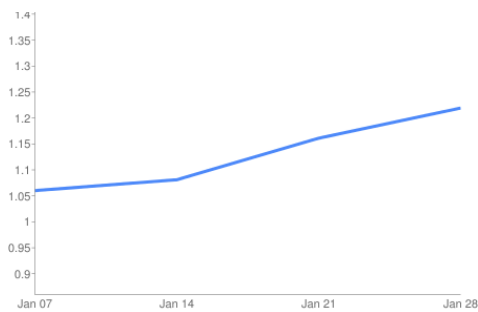


BEEF	Price	LstWk	Diff	Price 15
Ground Beef 81/19	\$2.381	\$2.372	\$0.0090	\$2.742
Ground Chuck	\$2.455	\$2.605	(\$0.1500)	\$3.057
116 Chuck (choice)	\$3.316	\$3.364	(\$0.0480)	\$3.034
168 Inside Round (ch.)	\$2.300	\$2.546	(\$0.2460)	\$2.677
184 Top Butt, bnls (ch.)	\$3.125	\$3.427	(\$0.3020)	\$3.810
193 Flank Steak (choice)	\$5.340	\$5.451	(\$0.1110)	\$5.514
50% Trimmings	\$0.543	\$0.708	(\$0.1650)	\$1.234
75% Trimmings	\$1.363	\$1.354	\$0.0090	\$2.298
90% Trimmings	\$2.056	\$2.027	\$0.0290	\$3.021



PORK - Pork production last week rose 1.7% but was .2% less than the same week last year. Hog supplies are starting to seasonally tighten which should cause pork output to decline in the coming months and bring modest support to the pork markets. December 31st pork stocks were 8% more than the prior year with ham (2%), belly (13%), rib (55%) holdings all above 2014. However, pork belly disappearance during the month was 4% better than the prior year and a record for any month. Further pork belly price appreciation may be forthcoming. Prices USDA, FOB per pound.

Belly (bacon)

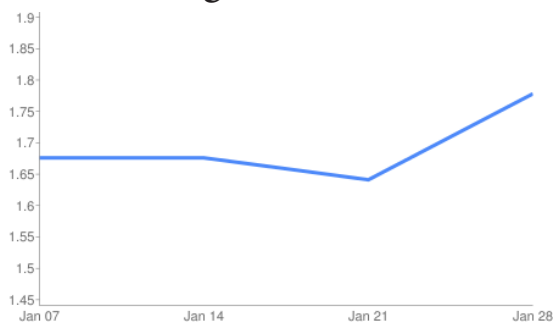


PORK	Price	LstWk	Diff	Price 15
Live Hogs	\$0.412	\$0.389	\$0.0230	\$0.495
Belly (bacon)	\$1.219	\$1.161	\$0.0580	\$0.998
Ham (23-27 lb.)	\$0.600	\$0.579	\$0.0210	\$0.716
Loin (bone-in)	\$0.820	\$0.808	\$0.0120	\$0.892
Tenderloin (1.25 lb.)	\$2.309	\$2.143	\$0.1660	\$2.588
Picnic, untrmd.	\$0.415	\$0.382	\$0.0330	\$0.492
42% Trimmings	\$0.200	\$0.214	(\$0.0140)	\$0.275
72% Trimmings	\$0.551	\$0.478	\$0.0730	\$0.638

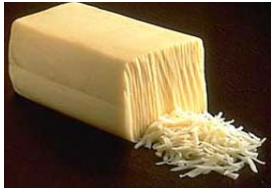


POULTRY - Chicken output for the week ending January 16th rose .4% from the prior week and was 2.7% larger than the same week last year. This was almost entirely due to heavier bird weights (up 2.5%) as bird slaughter was only .2% bigger than 2014. Chicken producers are signaling that bird weight growth this year could be minimal. This factor and slowed slaughter expansion should temper overall year over year production. Along these lines, the December broiler type chick hatch was just slightly better than the previous year. Chicken wing prices have risen to their most expensive levels since February of last year. Further chicken wing market increases are likely in the near term. The January 1 table egg laying flock was down 6.5% from last year. Prices USDA, FOB per pound except when noted.

Wings Jumbo Cut

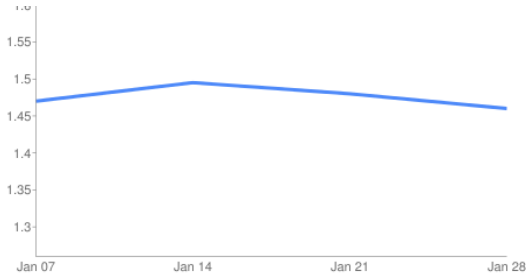


POULTRY	Price	LstWk	Diff	Price 15
Wings (whole)	\$1.680	\$1.635	\$0.0450	\$1.720
Wings (jumbo, cut)	\$1.778	\$1.641	\$0.1370	\$1.783
Breast, Bone In	\$0.950	\$0.925	\$0.0250	\$1.255
Breast, Bnless Skinless	\$1.480	\$1.475	\$0.0050	\$1.930
Tenderloin (random)	\$1.500	\$1.500	-	\$1.780
Tenderloin (sized)	\$1.700	\$1.700	-	\$2.040
Legs (whole)	\$0.337	\$0.380	(\$0.0430)	\$0.494
Leg Quarters	\$0.330	\$0.335	(\$0.0050)	\$0.510



DAIRY - U.S. milk output remains lackluster. During December, the U.S. produced just .7% more milk than the previous year due to a .3% larger milk cow herd and a .4% gain in milk per cow yields. Milk farmers added a net 1,000 head to the herd during the month. December marked the fifth consecutive month where milk production growth was less than 1% year over year. This is due in a large part to poor margins for milk farmers in the biggest producing state California. Milk output there during December was down 3% from 2014. Elevated butter prices could persevere this winter. Prices per pound, except Class I Cream (hundred weight), from USDA.

Cheese Blocks



DAIRY	Price	Last Week	Difference
Barrels	\$1.4300	\$1.4781	(\$0.0481)
40 lb. blocks	\$1.4600	\$1.4775	(\$0.0175)
Butter	\$2.1955	\$2.1438	\$0.0518
NFDM-Grade A	\$0.7130	\$0.7263	(\$0.0133)



OIL & GRAINS - Wheat futures prices are very close to the levels we saw a week ago after fluctuating higher and then lower again on speculation that Russia will or will not restrict wheat exports. Basis premiums for high protein spring wheat fell gradually lower which was a surprise this time of year and

with futures prices this low. They could be expected to return to higher levels just as quickly. Recent reports from the International grains council paint a crystal clear picture of record wheat production and supplies, easily outpacing last year's records. Not to be outdone the USDA followed with the largest U.S. wheat carryover forecast since 2010 and dismal export sales failing to deplete that stored wheat. Export levels haven't been this low in more than 40 years. While it is possible for wheat prices to rally it seems unlikely, and prices for wheat and flour could remain attractive in the short term.

GRAINS + OILS	Price	LstWk	Diff	Price 15
Soybeans, bushel	\$8.637	\$8.700	(\$0.0630)	\$9.58
Crude Soybean Oil, lb.	\$0.296	\$0.289	\$0.0070	\$0.31
Corn, bushel	\$3.540	\$3.529	\$0.0110	\$3.61
Crude Corn Oil, lb.	\$0.400	\$0.400	-	\$0.36
Distillers Grain, Dry	\$130.833	\$129.438	\$1.3950	\$182.33
HRW Wheat, bushel	\$4.560	\$4.500	\$0.0600	\$5.50
DNS Wheat 14%, bushel	\$5.180	\$5.110	\$0.0700	\$5.81
Durum Wheat, bushel	\$5.821	\$5.833	(\$0.0120)	\$9.13



KITCHEN SINK - The Arabica coffee futures market has found modest support but continues to trade at historically depressed levels. The nearby Arabica coffee futures market

has not traded appreciable below \$1 in 11 years. Price bases noted.

Kitchen	Price	LstWk	Diff	Price 15
Whole Peeled, Stand (6/10)	\$12.297	\$12.297	-	\$12.74
Tomato Paste- Industrial (lb.)	\$0.455	\$0.455	-	\$0.47
Coffee, lb., ICE	\$1.199	\$1.118	\$0.0810	\$1.67
Sugar, lb., ICE	\$0.253	\$0.258	(\$0.0050)	\$0.25



EURO vs. US Dollar

Current: \$0.9233
Lowest Last 30 Days: \$0.9118
Highest Last 30 Days: \$0.9323



Energy Commodities

ENERGY	Price	LstWk	Diff	Price 15
Crude Oil, barrel- nymex	\$30.880	\$29.030	\$1.8500	\$45.54
Natural Gas, mbtu- nymex	\$2.149	\$2.117	\$0.0320	\$2.85
Diesel Fuel, gal- nymex	\$0.974	\$0.888	\$0.0860	\$1.63
Electricity, mwh- nymex	\$35.500	\$35.000	(\$0.5000)	\$56.10
Gasoline, gal- nymex	\$1.043	\$1.043	-	\$1.40
Diesel Fuel, gal- eia	\$2.071	\$2.112	(\$0.0410)	\$2.87
Ethanol, gal- usda	\$1.233	\$1.209	\$0.0240	\$1.29