



Bellissimo Foods - Market Update

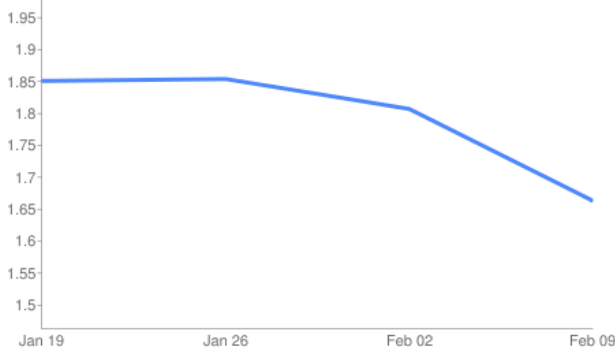
Week Ended February 10, 2017 Summary

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



BEEF - Beef output last week rose 2.3% and was up 10.6% larger than the same week last year. The cattle herd continues to expand as of January 1st, up 1.8% from the prior year and the largest since 2010. Further, it appears that the herd will continue to grow with the beef cow and replacement heifer herd the biggest in nine years. This should cause solid year over year gains in beef production to endure at least for 2017. Spot beef demand has been lackluster while retail feature activity remains brisk. Retail beef prices during December were 5.6% lower than the previous year and the least expensive since the spring of 2014. Low retail prices may temper any pending downside in wholesale prices.

Ground Beef

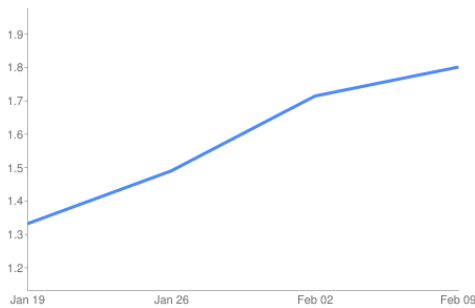


BEEF	Price	LstWk	Diff	Price 16
Ground Beef 81/19	\$1.663	\$1.807	(\$0.1440)	\$1.819
Ground Chuck	\$1.725	\$1.869	(\$0.1440)	\$1.973
116 Chuck (select)	\$2.380	\$2.554	(\$0.1740)	\$3.008
168 Inside Round (ch.)	\$2.021	\$1.950	\$0.0710	\$2.526
184 Top Butt, bnls (ch.)	\$2.595	\$2.590	\$0.0050	\$3.192
193 Flank Steak (choice)	\$4.538	\$4.465	\$0.0730	\$5.511
50% Trimmings	\$0.797	\$0.777	\$0.0200	\$0.577
75% Trimmings	\$1.407	\$1.396	\$0.0110	\$1.354
90% Trimmings	\$2.093	\$2.059	\$0.0340	\$2.101



PORK - Pork production declined 1.5% last week but was 7.3% larger than a year ago. Pork output will seasonally decline in the coming months but this year's decrease may be tempered by large hog supplies. The USDA is forecasting the drop in spring pork production from the winter to be the smallest since at least 2009. This should keep a lid on most of the pork markets. Pork belly prices remain elevated with the primal trading more than two times the pork cutout. The last time this occurred belly prices fell 63% during the following four months.

Belly (bacon)

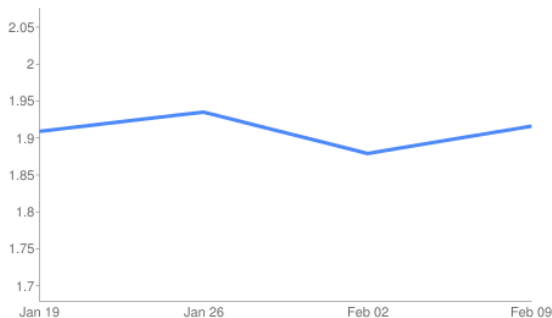


PORK	Price	LstWk	Diff	Price 16
Live Hogs	\$0.496	\$0.475	\$0.0210	\$0.454
Belly (bacon)	\$1.801	\$1.714	\$0.0870	\$1.255
Ham (23-27 lb.)	\$0.601	\$0.597	\$0.0040	\$0.592
Loin (bone-in)	\$0.753	\$0.748	\$0.0050	\$0.817
Tenderloin (1.25 lb.)	\$2.176	\$2.156	\$0.0200	\$2.448
Picnic, untrmd.	\$0.482	\$0.482	-	\$0.420
42% Trimmings	\$0.355	\$0.264	\$0.0910	\$0.189
72% Trimmings	\$0.615	\$0.650	(\$0.0350)	\$0.615



POULTRY - For the week ending January 28th chicken output rose 5.4% from the previous week but was just .1% larger than the same week last year. The six-week moving average for broiler egg sets is 1.6% bigger than last year which signals annual chicken production gains closer to 2% during the next few months. The ARA Chicken Wing Index last week declined \$.015 per pound marking the first decline for the pre-Super Bowl week in five years. Further chicken wing market declines may be forthcoming. The ARA Chicken Wing Index typically falls 14.7% from now until bottoming in early May. Chicken tender prices are on the rise. The five-year average move for the ARA Chicken Tender Index during the next 15 weeks is an increase of 30.9%.

Wings Jumbo Cut



POULTRY	Price	LstWk	Diff	Price 16
Wings (jumbo, cut)	\$1.916	\$1.879	\$0.0370	\$1.780
Wing Index- (ARA)	\$1.957	\$1.942	\$0.0150	\$1.958
Breast, Bnless Index (ARA)	\$1.016	\$1.036	(\$0.0200)	\$1.073
Tenderloin Index- (ARA)	\$1.504	\$1.432	\$0.0720	\$1.453
Legs (whole)	\$0.390	\$0.400	(\$0.0100)	\$0.358
Leg Qtr Index (ARA)	\$0.306	\$0.289	\$0.0170	\$0.263
Thighs, bone in	\$0.568	\$0.539	\$0.0290	\$0.484
Thighs, boneless	\$0.848	\$0.860	(\$0.0120)	\$0.721



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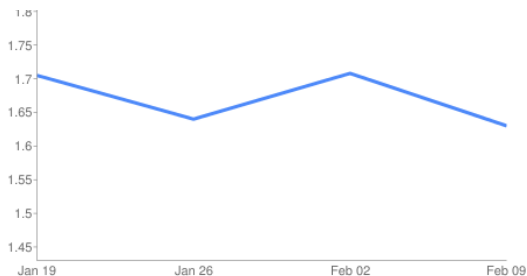
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DAIRY - The butter market has been softening as of late. December 31st cold storage butter stocks were 12.8% larger than the previous year and the biggest for the month since 2007. Further, the butter inventory build during the month was the third largest for any December in 15 years. Still, the existing expensive price levels are hampering the seasonal gain in supplies this winter which could be supportive of butter prices later this year. December 31st cheese holdings were 5.3% better than 2015 and a record for the month. The near-term upside in the cheese markets is likely only modest.

Cheese Blocks



Dairy	Price	Last Week	Difference
Barrels	\$1.6790	\$1.5920	\$0.0870
40 lb. blocks	\$1.6360	\$1.7475	(\$0.1115)
Butter	\$2.1550	\$2.2075	(\$0.0525)
NFDM-Grade A	\$0.9465	\$0.9455	\$0.0010



OIL & GRAINS - Wheat futures prices are nearly unchanged from our report a week ago. Basis premiums for spring wheat are mostly firm, but lower values have been posted for some winter wheat grades. The tug of war for the direction this market will take continues. Support from strong

demand, which would have prices move higher, challenged by ongoing reports of ample supplies of wheat worldwide, which has for some time lead to lower prices. Portions of Colorado and Kansas where the new winter wheat crop is planted continue to be at risk for drought conditions. Today the USDA will issue February World Agricultural Supply and Demand estimates. While there are no surprises expected for wheat, there is potential for bullish news where soybeans and corn are concerned, which could mean wheat futures prices may find support.

GRAINS + OILS	Price	LstWk	Diff	Price 16
Soybeans, bushel	\$10.077	\$9.822	\$0.2550	\$8.63
Crude Soybean Oil, lb.	\$0.327	\$0.322	\$0.0050	\$0.29
Corn, bushel	\$3.475	\$3.392	\$0.0830	\$3.55
Crude Corn Oil, lb.	\$0.382	\$0.382	-	\$0.40
Distillers Grain, Dry	\$98.917	\$98.604	\$0.3130	\$130.13
HRW Wheat, bushel	\$3.790	\$3.680	\$0.1100	\$4.27
DNS Wheat 14%, bushel	\$5.650	\$5.570	\$0.0800	\$5.02
Durum Wheat, bushel	\$5.819	\$5.821	(\$0.0020)	\$5.75



KITCHEN SINK - World sugar prices are on the rise due to limited stocks especially for the number one sugar consuming country India. The sugar markets could remain well supported

during the next several weeks. That said, history suggests that the upside price risk is limited in sugar from here. Price bases noted below

Kitchen	Price	LstWk	Diff	Price 16
Whole Peeled, Stand (6/10)	\$12.137	\$12.137	-	\$12.28
Tomato Paste- Industrial (lb.)	\$0.449	\$0.449	-	\$0.46
Coffee, lb., ICE	\$1.426	\$1.496	(\$0.0700)	\$1.15
Sugar, lb., ICE	\$0.303	\$0.305	(\$0.0020)	\$0.25



EURO vs. US Dollar

Current: \$0.9399

Lowest Last 30 Days: \$0.9251

Highest Last 30 Days: \$0.9472



Energy Commodities

ENERGY	Price	LstWk	Diff	Price 16
Crude Oil, barrel- nymex	\$51.800	\$53.350	(\$1.5500)	\$27.85
Natural Gas, mbtu- nymex	\$3.108	\$3.156	(\$0.0480)	\$2.05
Diesel Fuel, gal- nymex	\$1.622	\$1.653	(\$0.0310)	\$0.98
Electricity, mwht- nymex	\$34.610	\$35.750	(\$1.1400)	\$34.95
Gasoline, gal- nymex	\$1.485	\$1.581	(\$0.0960)	\$0.93
Diesel Fuel, gal- eia	\$2.558	\$2.562	(\$0.0040)	\$2.01
Ethanol, gal- usda	\$1.362	\$1.332	\$0.0300	\$1.31