



Bellissimo Foods - Market Update

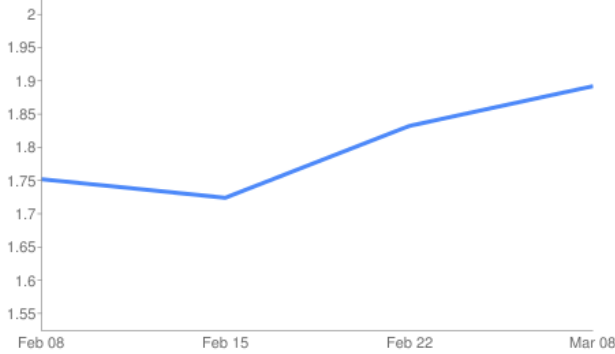
Week Ended March 9, 2018 Summary

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



BEEF - Beef output last week rose 6.1% and was 4.5% larger than the same week a year ago. Cattle slaughter was the strongest in five weeks. Big year over year gains in beef production are projected during the spring. Only modest seasonal price gains have occurred, because beef buyers are being patient. Spot boxed beef shipments have been disappointing with the last four weeks being 12% smaller than last year. Further, forward boxed beef and grind sales for delivery 22-90 days out have fallen to a five-week low. History says the near-term upside price risk for beef is likely limited. The five-year average move for the USDA choice boxed beef cutout from mid-March through early-April is down 3.1%.

Ground Beef

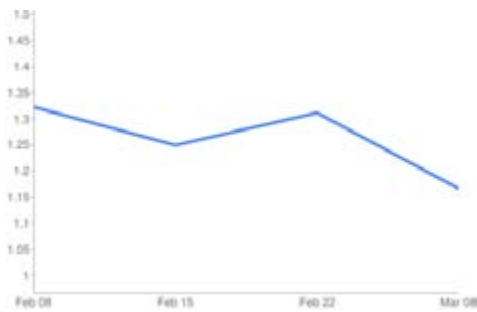


BEEF	Price	LstWk	Diff	Price 17
Ground Beef 81/19	\$1.892	\$1.878	\$0.0140	\$1.847
Ground Chuck	\$1.916	\$1.943	(\$0.0270)	\$1.910
116 Chuck (choice)	\$3.166	\$3.122	\$0.0440	\$2.279
168 Inside Round (ch.)	\$2.207	\$2.250	(\$0.0430)	\$2.466
184 Top Butt, bnls (ch.)	\$3.350	\$3.209	\$0.1410	\$3.211
193 Flank Steak (choice)	\$5.516	\$5.337	\$0.1790	\$5.272
50% Trimmings	\$0.845	\$0.842	\$0.0030	\$0.906
75% Trimmings	\$1.600	\$1.600	-	\$1.429
90% Trimmings	\$2.190	\$2.179	\$0.0110	\$2.128



PORK -Pork production last week rose 1.1% and was 5% better than the same week in 2017. Like beef, strong year over year pork output expansion is forecasted for this spring. This should temper any notable seasonal price gains despite the prospect of strong exports. January 31st pork stocks were 8% more than last year with hams (15%), bellies (219%), trim (44%) and butts (4%) all larger than 2017. Since 2013, the pork belly market averaged 8.9% lower from mid-March to mid-April.

Belly (bacon)

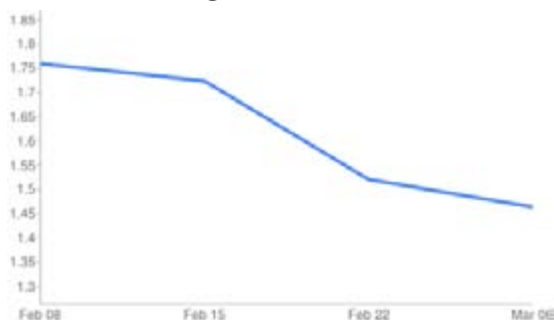


PORK	Price	LstWk	Diff	Price 17
Live Hogs	\$0.461	\$0.466	(\$0.0050)	\$0.499
Belly (bacon)	\$1.166	\$1.276	(\$0.1100)	\$1.374
Ham (23-27 lb.)	\$0.658	\$0.648	\$0.0100	\$0.612
Loin (bone-in)	\$0.750	\$0.751	(\$0.0010)	\$0.817
Tenderloin (1.25 lb.)	\$2.096	\$2.104	(\$0.0080)	\$2.131
Picnic, untrmd.	\$0.512	\$0.514	(\$0.0020)	\$0.529
42% Trimmings	\$0.325	\$0.276	\$0.0490	\$0.317



POULTRY - For the week ending February 24th, chicken output fell .6% from the prior week but was 1.5% larger than the same week a year ago. The six-week moving average for chicken production is tracking 1.1% above 2017. The USDA is calling Q2 chicken output to trend near 2.6% above last year. Feed costs last week were the highest since June 2016. The producer feed cost ratio was the lowest in 20 months. If feed costs move higher from here, it may temper year over year gains in output this summer. Last week the ARA Chicken Wing Index was the lowest since August 2014. But, history says that the downside risk during this time of year for wings is limited. The chicken breast prices should experience further seasonal gains into the summer.

Wings Jumbo Cut



POULTRY	Price	LstWk	Diff	Price 17
Wings (jumbo, cut)	\$1.463	\$1.451	\$0.0120	\$1.733
Wing Index- (ARA)	\$1.541	\$1.500	\$0.0410	\$1.783
Breast, Bnless Index (ARA)	\$1.087	\$1.052	\$0.0350	\$1.215
Tenderloin Index- (ARA)	\$1.741	\$1.766	(\$0.0250)	\$1.721
Legs (whole)	\$0.488	\$0.473	\$0.0150	\$0.437
Leg Qtr Index (ARA)	\$0.369	\$0.363	\$0.0060	\$0.334
Thighs, bone in	\$0.566	\$0.606	(\$0.0400)	\$0.616



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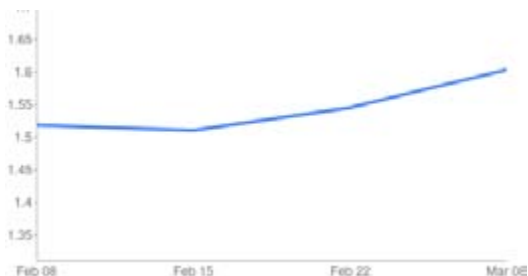
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DAIRY - The cheese and butter markets have firmed due in part to better export demand. However, longer term, cheese prices may have a hard time sustaining trade north of \$1.70 lb. at the CME. Cheese stocks are historically large. At the end of January, U.S. cold storage cheese supplies were 7% bigger than the previous year and a record for the date. Further, ample nonfat dry milk stocks were an all-time record as of February 1st, which should encourage cheese production. Conversely, the butter market may have a difficult time trading below \$2 lb. at the CME throughout 2018.

Cheese Blocks



DAIRY	Price	Last Week	Difference
Barrels	\$1.5090	\$1.4715	\$0.0375
40 lb. blocks	\$1.5830	\$1.5350	\$0.0480
Butter	\$2.2175	\$2.1930	\$0.0245
NFDM-Grade A	\$0.6555	\$0.6720	(\$0.0165)



OIL & GRAINS - Spring wheat futures prices chopped higher and lower in the last 5 trading sessions, closing about two cents per bushel lower and about nine cents per bushel lower since early December. Spring wheat basis premiums are firm. Winter wheat futures prices also traded higher and lower but landed up twelve cents per bushel over the past week, gaining an impressive \$1.16 per bushel higher since early December. Winter wheat basis premiums fell slightly this week. Drought concerns continued to drive prices higher. Effects of recent reports that 39% of the winter wheat crop was planted in drought areas with 9% affected by extreme drought and 16% by severe drought are impossible to discount. There are signs that the dry weather pattern could change beginning in April, but it remains to be seen whether it will be too late to improve prospects for this year's crop. We expect continued and increasing volatility in wheat markets.

GRAINS + OILS	Price	LstWk	Diff	Price 17
Soybeans, bushel	\$10.364	\$10.120	\$0.2440	\$9.86
Crude Soybean Oil, lb.	\$0.308	\$0.305	\$0.0030	\$0.32
Corn, bushel	\$3.630	\$3.543	\$0.0870	\$3.48
Crude Corn Oil, lb.	\$0.300	\$0.280	\$0.0200	\$0.38
Distillers Grain, Dry	\$154.000	\$152.292	\$1.7080	\$101.04
HRW Wheat, bushel	\$5.315	\$4.840	\$0.4750	\$4.20
DNS Wheat 14%, bushel	\$6.440	\$6.190	\$0.2500	\$5.49
Durum Wheat, bushel	\$5.984	\$6.003	(\$0.0190)	\$5.76



KITCHEN SINK - Tomato processors are currently negotiating raw product prices for the 2018 crop. Early results suggest that raw product could be near 15% more expensive for canners. This

should generally be supportive of the canned tomato markets in the coming months.

Kitchen	Price	LstWk	Diff	Price 17
Whole Peeled, Stand (6/10)	\$12.625	\$12.625	-	\$12.16
Tomato Paste- Industrial (lb.)	\$0.454	\$0.454	-	\$0.45
Coffee, lb., ICE	\$1.200	\$1.200	-	\$1.39
Sugar, lb., ICE	\$0.249	\$0.254	(\$0.0050)	\$0.32

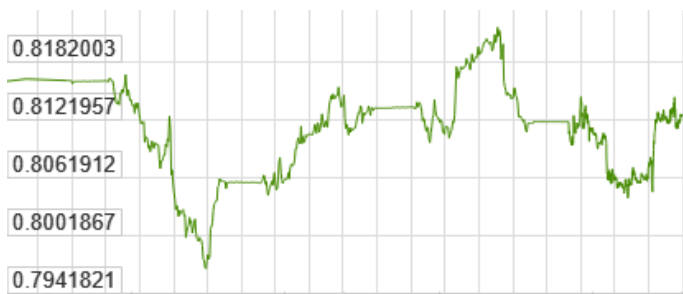


EURO vs. US Dollar

Current: \$0.8126

Lowest Last 30 Days: \$0.7966

Highest Last 30 Days: \$0.8217



Energy Commodities

ENERGY	Price	LstWk	Diff	Price 17
Crude Oil, barrel- ny-nymex	\$62.160	\$63.220	(\$1.0600)	\$52.39
Natural Gas, mbtu- ny-nymex	\$2.783	\$2.696	\$0.0870	\$2.92
Diesel Fuel, gal- nymex	\$1.898	\$1.967	(\$0.0690)	\$1.61
Electricity, mwht- ny-nymex	\$34.180	\$32.110	\$2.0700	\$33.39
Gasoline, gal- nymex	\$1.937	\$1.979	(\$0.0420)	\$1.69
Diesel Fuel, gal- eia	\$2.992	\$3.007	(\$0.0150)	\$2.58
Ethanol, gal- usda	\$1.400	\$1.398	\$0.0020	\$1.43