

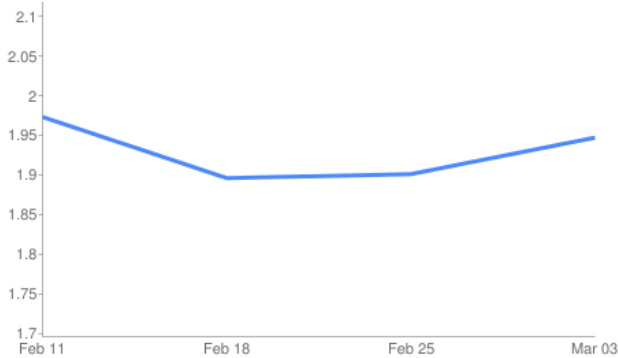
# Bellissimo Foods - Market Update Week of March 4, 2016 Summary

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



**BEEF** - Beef production last week rose 2.2% and was 3.1% larger than the same week last year. Despite this, most of the beef markets were able to rally higher which suggests that the seasonal bottom in the beef markets has been achieved. Emerging demand for grilling cuts including top butts and strips is expected soon and should help lift the beef complex during the next few months. Typically the choice top butt markets rise around 10% during the next eight weeks. After trading at historic discounts last year, the imported lean beef trim markets are now on par with their domestic counterparts due to smaller output in Australia. This could be support of the lean beef trim markets this spring. Price USDA, FOB per pound.

## Ground Chuck

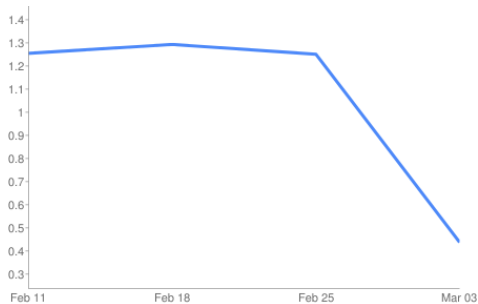


BEEF	Price	LstWk	Diff	Price 15
Ground Beef 81/19	\$1.667	\$1.730	(\$0.0630)	\$2.553
Ground Chuck	\$1.947	\$1.901	\$0.0460	\$2.588
116 Chuck (choice)	\$2.838	\$2.964	(\$0.1260)	\$3.243
168 Inside Round (ch.)	\$2.327	\$2.370	(\$0.0430)	\$2.892
184 Top Butt, bnls (ch.)	\$3.617	\$3.543	\$0.0740	\$4.174
193 Flank Steak (choice)	\$5.725	\$5.636	\$0.0890	\$5.564
50% Trimmings	\$0.648	\$0.544	\$0.1040	\$0.895
75% Trimmings	\$1.390	\$1.352	\$0.0380	\$2.245
90% Trimmings	\$2.159	\$2.126	\$0.0330	\$2.921



**PORK** - Pork output last week declined 3.7% and was 2.9% less than the same week last year. Despite this, the USDA index of pork prices, the pork cutout, declined 1% to a five week low. Pork production is anticipated to seasonally decline during the next several months which should underpin the pork markets. However, any pork market appreciation this spring and summer could be tempered by consumers seeking alternative proteins, especially beef. Ham prices may remain engaging in the near term due to the early Easter this year. Prices USDA, FOB per pound.

## Belly (bacon)

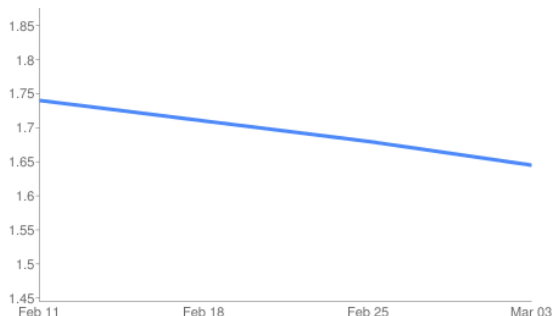


PORK	Price	LstWk	Diff	Price 15
Live Hogs	\$0.465	\$0.463	\$0.0020	\$0.478
Belly (bacon)	\$1.275	\$1.251	\$0.0240	\$0.696
Ham (23-27 lb.)	\$0.552	\$0.569	(\$0.0170)	\$0.555
Loin (bone-in)	\$0.752	\$0.790	(\$0.0380)	\$0.827
Tenderloin (1.25 lb.)	\$2.325	\$2.492	(\$0.1670)	\$2.392
Picnic, untrmd.	\$0.401	\$0.438	(\$0.0370)	\$0.464
42% Trimmings	\$0.203	\$0.165	\$0.0380	\$0.272
72% Trimmings	\$0.522	\$0.574	(\$0.0520)	\$0.415



**POULTRY** - Chicken output for the week ending February 20th declined .5% but was 8.6% larger than the same week last year. Solid chicken production expansion versus 2015 is weighing on most of the chicken markets. The ARA Chicken Wing Index has fallen over \$.10 a pound during the last week. Further, the ARA Boneless Skinless Chicken Breast Index has declined to its least expensive level since the fall of 2006. Chicken breast prices at these historic lows make it very difficult for chicken producers to achieve a sustainable margin. Thus, if the inexpensive chicken breast prices persist, it is very likely that chicken output will be slowed in the not-so-distant future. And that would be supportive of the entire chicken market complex. Prices USDA, FOB per pound except when noted.

## Wings Whole

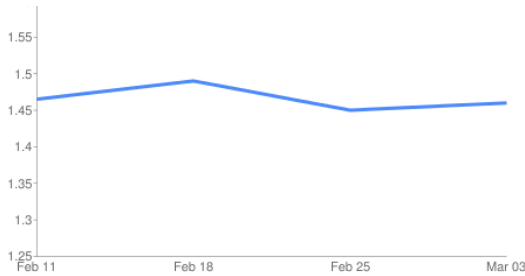


POULTRY	Price	LstWk	Diff	Price 15
Wings (whole)	\$1.645	\$1.680	(\$0.0350)	\$1.735
Wings (jumbo, cut)	\$1.729	\$1.792	(\$0.0630)	\$1.692
Breast, Bone In	\$0.925	\$0.940	(\$0.0150)	\$1.240
Breast, Bnless Skinless	\$1.360	\$1.370	\$0.0000	\$1.875
Tenderloin (random)	\$1.650	\$1.650	-	\$1.850
Tenderloin (sized)	\$1.850	\$1.850	-	\$2.150
Legs (whole)	\$0.398	\$0.413	(\$0.0150)	\$0.437
Leg Quarters	\$0.325	\$0.325	-	\$0.500



**DAIRY** - The CME butter market has continued to soften during the last week falling below \$2 a pound for the first time in seven months. Domestic butter demand remains healthy but imports continue to overpower exports due to the deflated international markets. Currently butter is trading abroad at a \$.60 plus per pound discount to the U.S. History suggests that butter prices could find support rather shortly. The CME cheese markets remain range-bound as strong year over year gains in milk output continue to fuel strong cheese production. Engaging cheese prices could persist during spring. Prices per pound, except Class I Cream (hundred weight), from USDA.

### Cheese Blocks



DAIRY	Price	Last Week	Difference
Barrels	\$1.4430	\$1.4345	\$0.0085
40 lb. blocks	\$1.4760	\$1.4620	\$0.0140
Butter	\$1.9925	\$2.0260	(\$0.0335)
NFDM-Grade A	\$0.7670	\$0.7716	(\$0.0046)



**OIL & GRAINS** - Wheat futures prices are higher this week. U.S. winter wheat futures found price support Wednesday from concerns unseasonably warm weather could allow the new crop to emerge. Futures are trading higher

again this morning. World wheat stocks are ample. U.S. farmers are planting much less wheat. Forecasts estimate the smallest acreage in more than 45 years. Supply outpacing demand is reflected in multi-year low futures prices, still export wheat prices continue to fall. Wheat and flour prices are attractive at these levels. Perception of growing conditions can change very quickly as spring progresses and weather becomes a greater factor, but prices could be expected to remain near the current range at least in the short term.

GRAINS + OILS	Price	LstWk	Diff	Price 15
Soybeans, bushel	\$8.412	\$8.697	(\$0.2850)	\$10.05
Crude Soybean Oil, lb.	\$0.288	\$0.293	(\$0.0050)	\$0.34
Corn, bushel	\$3.347	\$3.555	(\$0.2080)	\$3.76
Crude Corn Oil, lb.	\$0.408	\$0.403	\$0.0050	\$0.37
Distillers Grain, Dry	\$132.709	\$131.542	\$1.1670	\$178.65
HRW Wheat, bushel	\$4.240	\$4.280	(\$0.0400)	\$5.40
DNS Wheat 14%, bushel	\$4.950	\$5.000	(\$0.0500)	\$5.90
Durum Wheat, bushel	\$5.529	\$5.670	(\$0.1410)	\$8.22



**KITCHEN SINK** - The sugar futures markets have firmed as of late. According to the International Sugar Organization, a global deficit of 5 million metric tons is projected this year. Modestly higher sugar prices could be impending.

Kitchen	Price	LstWk	Diff	Price 15
Whole Peeled, Stand (6/10)	\$11.993	\$11.993	-	\$12.76
Tomato Paste- Industrial (lb.)	\$0.444	\$0.444	-	\$0.47
Coffee, lb., ICE	\$1.148	\$1.193	(\$0.0450)	\$1.33
Sugar, lb., ICE	\$0.258	\$0.257	\$0.0010	\$0.24

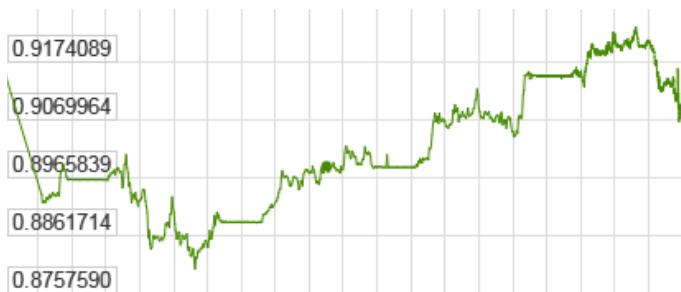


### EURO vs. US Dollar

Current: \$0.90929

Lowest Last 30 Days: \$0.8814

Highest Last 30 Days: \$0.9230



### Energy Commodities

ENERGY	Price	LstWk	Diff	Price 15
Crude Oil, barrel- nymex	\$33.970	\$30.900	\$3.0700	\$50.78
Natural Gas, mbtu- nymex	\$1.798	\$1.809	(\$0.0110)	\$2.74
Diesel Fuel, gal- nymex	\$1.104	\$1.028	\$0.0760	\$1.92
Electricity, mwht- nymex	\$31.750	\$30.950	\$0.0080	\$39.35
Gasoline, gal- nymex	\$1.315	\$1.214	\$0.1010	\$1.93
Diesel Fuel, gal- eia	\$1.989	\$1.983	\$0.0060	\$2.94
Ethanol, gal- usda	\$1.300	\$1.322	(\$0.0220)	\$1.31