

# Bellissimo Foods - Market Update

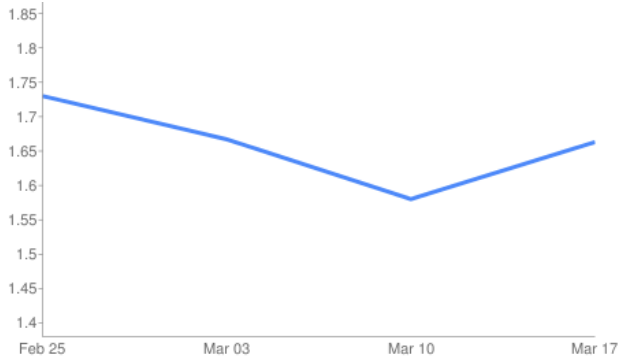
## Week of March 18, 2016 Summary

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



**BEEF** - Beef production last week rose .4% and was 2.7% larger than the same week last year. 2016 beef output to date is tracking .8% above last year. The USDA is forecasting beef production this year to rise 3.6% from 2015 marking the first annual increase in six years. Beef demand is starting to seasonally escalate. Spot beef shipments last week were the biggest in three months. Further, the three week total of forward beef sales 22-90 days out has risen to the highest level since October. Modest beef markets increases could be impending especially for grill items. Last year the choice 185c tri-tip market appreciated 16.3% from mid-March until the end of May. Price USDA, FOB per pound.

### Ground Beef 81/19

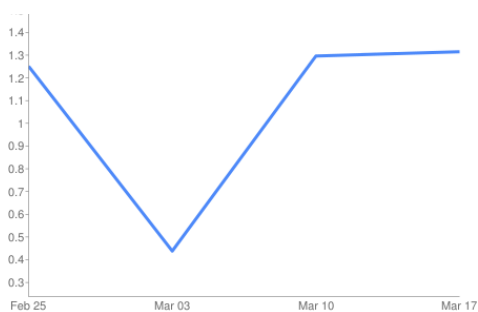


BEEF	Price	LstWk	Diff	Price 15
Ground Beef 81/19	\$1.663	\$1.580	\$0.0830	\$2.497
Ground Chuck	\$1.871	\$1.892	(\$0.0210)	\$2.554
116 Chuck (choice)	\$2.827	\$2.656	\$0.1710	\$3.125
168 Inside Round (ch.)	\$2.432	\$2.246	\$0.1860	\$2.831
184 Top Butt, bnls (ch.)	\$3.930	\$3.001	\$0.9290	\$3.845
193 Flank Steak (choice)	\$6.082	\$5.992	\$0.0900	\$5.592
50% Trimmings	\$1.156	\$0.851	\$0.3050	\$0.915
75% Trimmings	\$1.374	\$1.369	\$0.0050	\$2.243
90% Trimmings	\$2.187	\$2.184	\$0.0030	\$2.950



**PORK** - Pork output last week declined .2% and was 1.1% less than the same week last year. Still overall domestic pork demand remains sluggish which is keeping a lid on the pork markets. Pork production will cyclically decline in the coming months which should underpin pork prices. The pork belly markets continue to track well above year ago levels as they buck the challenged demand trend. Higher pork belly prices may be impending. The five year average move for the USDA pork cutout during the next four weeks is an increase of 7.7%. Prices USDA, FOB per pound.

### Belly (bacon)

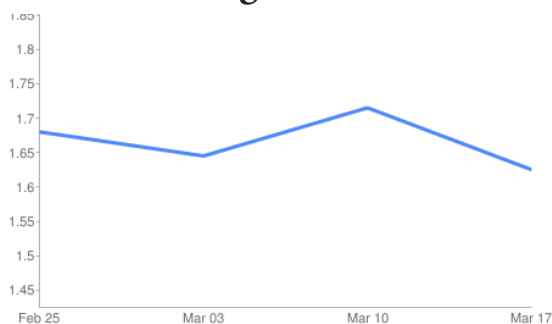


PORK	Price	LstWk	Diff	Price 15
Live Hogs	\$0.464	\$0.459	\$0.0050	\$0.432
Belly (bacon)	\$1.315	\$1.296	\$0.0190	\$0.698
Ham (23-27 lb.)	\$0.555	\$0.565	(\$0.0100)	\$0.489
Loin (bone-in)	\$0.757	\$0.776	(\$0.0190)	\$0.842
Tenderloin (1.25 lb.)	\$2.031	\$2.108	(\$0.0770)	\$2.407
Picnic, untrmd.	\$0.446	\$0.408	\$0.0380	\$0.443
42% Trimmings	\$0.287	\$0.243	\$0.0440	\$0.246
72% Trimmings	\$0.547	\$0.544	\$0.0030	\$0.397

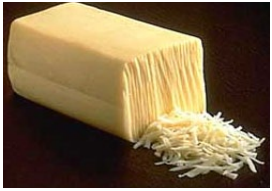


**POULTRY** - Chicken output for the week ending March 5th rose 1% from the previous week and was 3.1% larger than the same week a year ago. Year to date weekly chicken production is tracking 3.1% above 2015 due to a 2.1% increase in bird slaughter and 1.5% rise in bird weights. Chicken breast prices appear to be finding some footing. The ARA Boneless Skinless Chicken Breast Index firmed last week for the first time since the third week of January. Still, the breast index was 25.5% less expensive than the five year average for the week and the lowest for mid-March in at least the last 15 years. Modest chicken breast price increases are anticipated in the coming months but the markets may remain below 2015 levels. Prices USDA, FOB per pound except when noted.

### Wings Whole

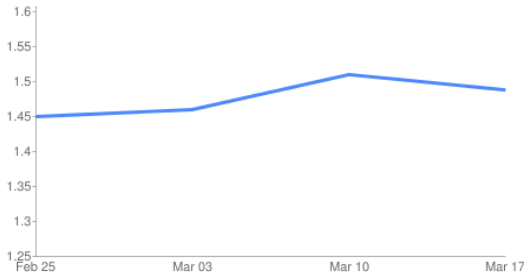


POULTRY	Price	LstWk	Diff	Price 15
Wings (whole)	\$1.625	\$1.715	(\$0.0900)	\$1.765
Wings (jumbo, cut)	\$1.764	\$1.715	\$0.0490	\$1.757
Breast, Bone In	\$0.910	\$0.955	(\$0.0450)	\$1.165
Breast, Bnless Skinless	\$1.375	\$1.390	(\$0.0150)	\$1.905
Tenderloin (random)	\$1.700	\$1.650	\$0.0500	\$1.900
Tenderloin (sized)	\$1.900	\$1.850	\$0.0500	\$2.200
Legs (whole)	\$0.413	\$0.365	\$0.0480	\$0.433
Leg Quarters	\$0.330	\$0.330	-	\$0.495



**DAIRY** - The CME spot butter market fell this week to its least expensive level since July. Still, CME butter prices are well above the historical norm for late spring, up near 10% from the five year average for the third week of March. Unseasonably warm weather is encouraging milk output and thus butter and cheese production. Modestly lower butter prices may occur in the near term. The CME cheese markets remain range-bound near \$1.50 per pound. Cheese supplies are ample and exports are lethargic weighing on cheese prices. Similar cheese market action is likely to endure into the spring. Prices per pound, except Class I Cream (hundred weight), from USDA.

### Cheese Blocks



DAIRY	Price	Last Week	Difference
Barrels	\$1.4445	\$1.4660	(\$0.0215)
40 lb. blocks	\$1.4880	\$1.5120	(\$0.0240)
Butter	\$1.9390	\$1.9925	(\$0.0535)
NFDM-Grade A	\$0.7355	\$0.7495	(\$0.0140)



**OIL & GRAINS** - Wheat futures prices climbed nearly another ten cents per bushel this past week. Millfeed values declined in many markets, further supporting flour prices. Much of the increase in wheat futures values has

been the market building a weather premium into prices. Weather did dominate market news this week. Forecasts that caused short-term worries of frost damage to the newly emerged winter wheat crop are now less worrisome, which has stalled upward futures momentum. Spring wheat will likely be planted early this year. Early planting often results in a high quality crop, so speculators will be watching planting dates. Some rain would be welcome all around.

GRAINS + OILS	Price	LstWk	Diff	Price 15
Soybeans, bushel	\$8.839	\$8.542	\$0.2970	\$9.52
Crude Soybean Oil, lb.	\$0.309	\$0.296	\$0.0130	\$0.30
Corn, bushel	\$3.560	\$3.423	\$0.1370	\$3.61
Crude Corn Oil, lb.	\$0.408	\$0.408	-	\$0.37
Distillers Grain, Dry	\$130.542	\$132.021	(\$1.4790)	\$180.44
HRW Wheat, bushel	\$4.615	\$4.435	\$0.1800	\$5.47
DNS Wheat 14%, bushel	\$5.290	\$5.130	\$0.1600	\$5.89
Durum Wheat, bushel	\$5.492	\$5.493	(\$0.0010)	\$8.48



**KITCHEN SINK** - The processed tomato markets continue to track well below year ago levels due to the record supply and lackluster demand. Fairly engaging processed tomato prices could persevere. Price bases noted below.

Kitchen	Price	LstWk	Diff	Price 15
Whole Peeled, Stand (6/10)	\$12.081	\$11.993	\$0.0880	\$12.88
Tomato Paste- Industrial (lb.)	\$0.447	\$0.444	\$0.0030	\$0.48
Coffee, lb., ICE	\$1.257	\$1.217	\$0.0400	\$1.34
Sugar, lb., ICE	\$0.256	\$0.253	\$0.0030	\$0.24

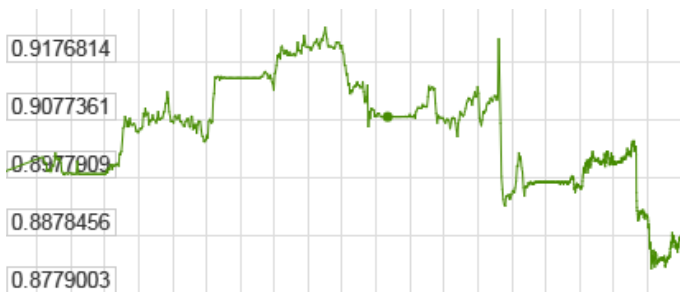


### EURO vs. US Dollar

Current: \$0.88756

Lowest Last 30 Days: \$0.88216

Highest Last 30 Days: \$0.9235



### Energy Commodities

ENERGY	Price	LstWk	Diff	Price 15
Crude Oil, barrel- nymex	\$37.090	\$37.190	(\$0.1000)	\$44.22
Natural Gas, mbtu- nymex	\$1.958	\$1.732	\$0.2260	\$2.83
Diesel Fuel, gal- nymex	\$1.194	\$1.222	(\$0.0280)	\$1.68
Electricity, mwht- nymex	\$31.850	\$30.000	\$1.8500	\$40.15
Gasoline, gal- nymex	\$1.445	\$1.419	\$0.0260	\$1.71
Diesel Fuel, gal- eia	\$2.099	\$2.021	\$0.0780	\$2.92
Ethanol, gal- usda	\$1.265	\$1.253	\$0.0120	\$1.43