



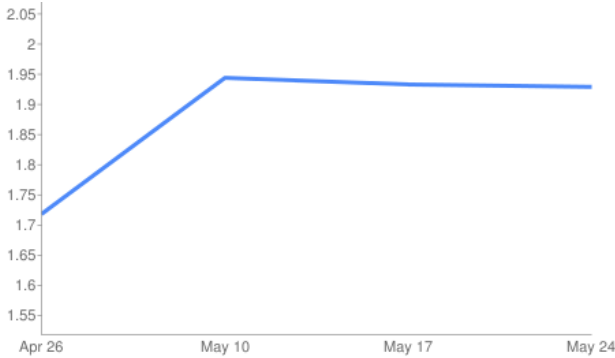
Bellissimo Foods - Market Update Week Ended May 25, 2018 Summary

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



BEEF - Beef production last week increased 1.8% and was 9.3% larger than the same week in 2017. It was the biggest cattle slaughter for any week since December 2011. Abundant beef supplies are meeting the uptick in seasonal demand coming from grilling activity. Last week, forward beef sales 22-90 days out, were the lowest for any week since December. This suggests that downward pressure on the beef markets should materialize in the coming weeks. Boneless beef stocks on April 30th were 4.6% better than a year ago. Look for the ground beef markets to peak soon. Since 2013, the average move for the 81/19 ground beef market during the first three weeks of June was down 9.6%.

Ground Beef

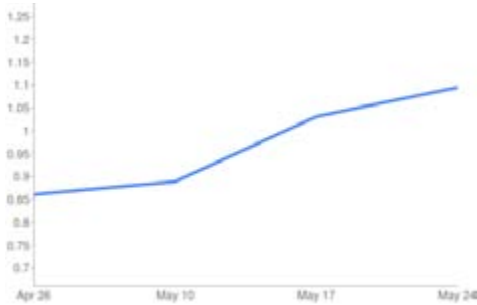


BEEF	Price	LstWk	Diff	Price 17
Ground Beef 81/19	\$1.929	\$1.933	(\$0.0040)	\$2.366
Ground Chuck	\$1.907	\$1.980	(\$0.0730)	\$2.324
116 Chuck (choice)	\$2.780	\$2.920	(\$0.1400)	\$2.639
168 Inside Round (ch.)	\$2.228	\$2.314	(\$0.0860)	\$2.171
184-3 Top Butt, bnls (choice)	\$3.628	\$3.626	\$0.0020	\$3.765
193 Flank Steak (choice)	\$5.472	\$5.433	\$0.0390	\$5.346
50% Trimmings	\$0.816	\$0.890	(\$0.0740)	\$1.852
75% Trimmings	\$1.606	\$1.620	(\$0.0140)	\$1.740
90% Trimmings	\$2.212	\$2.200	\$0.0120	\$2.274



PORK - Pork output last week was up 1.4% and was 5.6% larger than a year ago. Abundant hog supplies are available for slaughter which will keep pork production running above year ago levels into the summer. April 30th pork holdings were 8.7% bigger than the prior year with bellies (93%), trim (42%), picnics (40%), loins (6%) and ribs (6%) all higher. Belly stocks were the best since May 2016. This could temper seasonal price gains for the various pork items. Since 2013, the average move for the USDA pork cutout during the next five weeks was up 10%.

Belly (bacon)

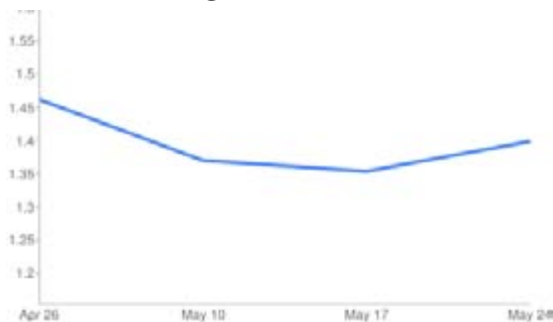


PORK	Price	LstWk	Diff	Price 17
Live Hogs	\$0.480	\$0.462	\$0.0180	\$0.525
Belly (bacon)	\$1.095	\$1.031	\$0.0640	\$1.440
Ham (23-27 lb.)	\$0.526	\$0.490	\$0.0360	\$0.688
Loin (bone-in)	\$0.770	\$0.763	\$0.0070	\$0.872
Tenderloin (1.25 lb.)	\$2.112	\$2.067	\$0.0450	\$2.148
Picnic, untrmd.	\$0.486	\$0.486	-	\$0.621
42% Trimmings	\$0.243	\$0.238	\$0.0050	\$0.417
72% Trimmings	\$0.614	\$0.681	(\$0.0670)	\$0.802



POULTRY - For the week ending May 12th, chicken production was .6% more than the prior week but was .8% smaller than the same week last year. The six-week running total of chicken output is just .6% more than 2017. Recent data hints that year-over-year chicken output growth could lessen later this year. The May 1st broiler layer flock was 4.3% bigger than last year, but above average egg hatch losses are a problem. Wing prices are at levels not seen since August 2014. April 30th chicken wing inventories were 16.3% more than 2017 and the highest in four months. But, history says the downside price risk for wings during this time of year is small. Conversely, the ARA boneless skinless chicken breast index usually peaks for the year during this week.

Wings Jumbo Cut



POULTRY	Price	LstWk	Diff	Price 17
Wings (jumbo, cut)	\$1.399	\$1.354	\$0.0450	\$2.043
Wing Index- (ARA)	\$1.445	\$1.413	\$0.0320	\$2.041
Breast, Bnless Index (ARA)	\$1.232	\$1.299	(\$0.0670)	\$1.582
Tenderloin Index- (ARA)	\$1.736	\$1.736	-	\$1.775
Legs (whole)	\$0.513	\$0.513	-	\$0.528
Leg Qtr Index (ARA)	\$0.374	\$0.381	(\$0.0070)	\$0.376
Thighs, bone in	\$0.484	\$0.452	\$0.0320	\$0.736



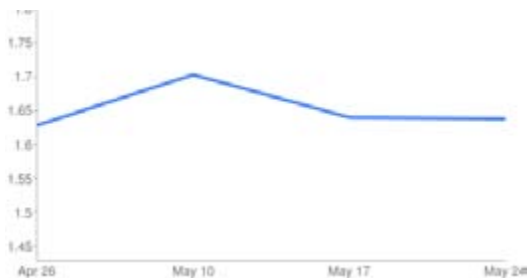
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DAIRY - U.S. milk output expansion has slowed. During April, milk production was just .6% larger than 2017 due to a .5% gain in milk per cow yields and a .1% larger milk cow herd. The year-over-year expansion in milk output was the smallest in over two years. Milk farmers also reduced the herd from the prior month by 2,000 head. Milk farmer margins have improved this spring which could bring a modest boost to year-over-year milk production gains in the coming months. Butter prices may be firm in the near term due to solid exports, while cheese prices may be sideways.

Cheese Blocks



DAIRY	Price	Last Week	Difference
Barrels	\$1.5560	\$1.5695	(\$0.0135)
40 lb. blocks	\$1.6285	\$1.6090	\$0.0195
Butter	\$2.4175	\$2.3745	\$0.0430
NFDM	\$0.8470	\$0.8500	(\$0.0030)



OIL & GRAINS - Wheat futures prices are sharply higher this week; basis premiums are firm to higher. Markets are reacting to reports of dry weather patterns in many wheat-producing nations. Aside from the ongoing drought conditions for winter wheat in the U.S., the spring wheat crop which is now 79% planted would benefit greatly from rainfall as well. Time is running out for May rainfall that could help the U.S. winter wheat crop. Russia lowered its grain production forecast due to dry conditions. Australia, Canada, Brazil and the Ukraine are also reporting dry growing conditions for their developing wheat crops. Rainfall at home and around the world will help determine the direction these markets will take next week.

GRAINS + OILS	Price	LstWk	Diff	Price 17
Soybeans, bushel	\$9.989	\$9.861	\$0.1280	\$9.28
Crude Soybean Oil, lb.	\$0.299	\$0.295	\$0.0040	\$0.31
Corn, bushel	\$3.794	\$3.767	\$0.0270	\$3.49
Crude Corn Oil, lb.	\$0.295	\$0.295	-	\$0.38
Distillers Grain, Dry	\$173.375	\$174.542	(\$1.1670)	\$99.54
Crude Palm Oil, lb. BMD	\$0.278	\$0.277	\$0.0010	\$0.27
HRW Wheat, bushel	\$5.305	\$4.948	\$0.3570	\$3.92
DNS Wheat 14%, bushel	\$6.630	\$6.363	\$0.2670	\$5.64
Durum Wheat, bushel	\$5.754	\$5.689	\$0.0650	\$5.44



KITCHEN SINK - Processed tomato prices continue to track above year ago levels. Canned tomato demand has improved with “disappearance” from the 2017-18 crop tracking 2% above

the previous crop. A bigger California crop this year however could bring some modest price relief this fall.

Kitchen	Price	LstWk	Diff	Price 17
Whole Peeled, Stand (6/10)	12.658	12.658	-	\$12.13
Tomato Paste- Industrial (lb.)	0.455	0.455	-	\$0.45
Coffee, lb., ICE	1.209	1.129	0.08	\$1.30
Sugar, lb., ICE	0.246	0.246	-	\$0.28

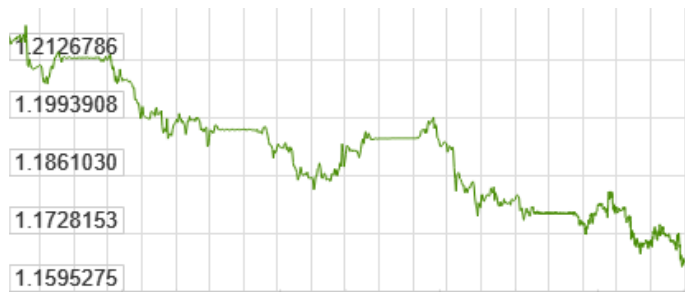


**EURO vs.
US Dollar**

Current: \$1.1658

Lowest Last 30 Days: \$1.1658

Highest Last 30 Days: \$1.2183



Energy Commodities

ENERGY	Price	LstWk	Diff	Price 17
Crude Oil, barrel- ny-mex	\$71.850	\$70.960	\$0.8900	\$51.49
Natural Gas, mbtu- ny-mex	\$2.952	\$2.850	\$0.1020	\$3.28
Diesel Fuel, gal- nymex	\$2.269	\$2.234	\$0.0350	\$1.62
Electricity, mwht- ny-mex	\$35.550	\$35.000	\$0.5500	\$35.37
Gasoline, gal- nymex	\$2.248	\$2.204	\$0.0440	\$1.66
Diesel Fuel, gal- eia	\$3.277	\$3.239	\$0.0380	\$2.54
Ethanol, gal- usda	\$1.393	\$1.388	\$0.0050	\$1.40