



Bellissimo Foods - Market Update

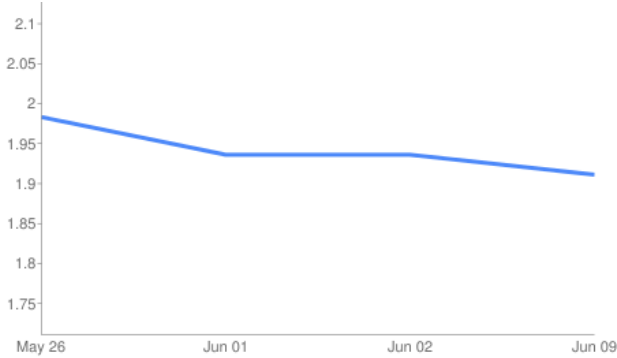
Week of June 10, 2016 Summary

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



BEEF - The Memorial Day holiday shortened beef production last week declined 11.4% from the prior week and 5.9% from a year ago. Still, beef production is expected to trend above 2015 levels for the next several months which should weigh on the beef markets. Further, beef trade remains favorable for buyers. During April, beef imports fell 21.1% from last year but were still the second best for the month in the last nine years. At the same time beef exports were down by 5.2% from 2015 making the U.S. a net beef importer by 69.5 million pounds adding 3.5% to the total supply. That said, if beef imports continue to track lower it could be supportive of lean beef prices. Price USDA, FOB per pound.

Ground Beef

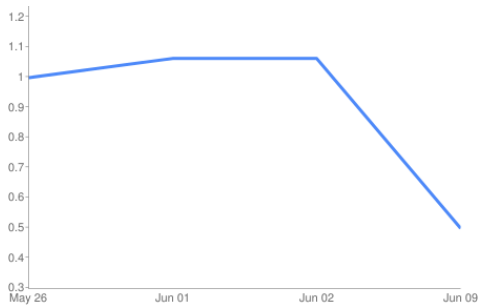


| BEEF | Price | LstWk | Diff | Price 15 |
|--------------------------|---------|---------|------------|----------|
| Ground Beef 81/19 | \$1.911 | \$1.936 | (\$0.0250) | \$2.205 |
| Ground Chuck | \$1.949 | \$2.069 | (\$0.1200) | \$2.502 |
| 116 Chuck (choice) | \$2.392 | \$2.438 | (\$0.0460) | \$2.861 |
| 168 Inside Round (ch.) | \$1.947 | \$1.960 | (\$0.0130) | \$2.809 |
| 184 Top Butt, bnls (ch.) | \$4.170 | \$4.477 | (\$0.3070) | \$3.878 |
| 193 Flank Steak (choice) | \$5.719 | \$5.929 | (\$0.2100) | \$6.726 |
| 50% Trimmings | \$0.788 | \$0.570 | \$0.2180 | \$0.879 |
| 75% Trimmings | \$1.418 | \$1.411 | \$0.0070 | \$2.075 |
| 90% Trimmings | \$2.193 | \$2.186 | \$0.0070 | \$2.974 |



PORK - Pork output last week was shortened by the holiday. Pork production last week fell 13.1% and was 10.8% less than the same week last year. However, pork output is forecasted by the USDA to track above 2015 levels through the end of the year. Further, pork production expansion this summer compared to the spring is forecasted to be the biggest since 2009. The pork markets have firmed as of late but the output gains could lead to an early top in the pork markets this summer unless exports continue to expand. Prices USDA, FOB per pound.

Belly (bacon)

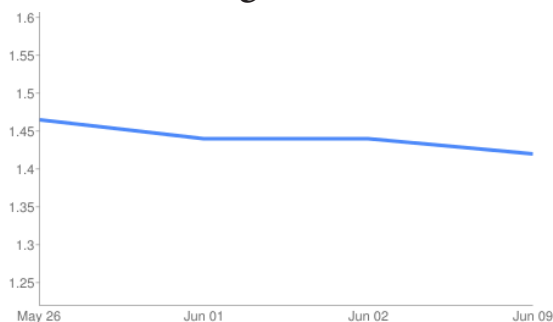


| PORK | Price | LstWk | Diff | Price 15 |
|-----------------------|---------|---------|------------|----------|
| Live Hogs | \$0.557 | \$0.538 | \$0.0190 | \$0.576 |
| Belly (bacon) | \$1.172 | \$1.060 | \$0.1120 | \$0.977 |
| Ham (23-27 lb.) | \$0.684 | \$0.673 | \$0.0110 | \$0.597 |
| Loin (bone-in) | \$0.941 | \$0.963 | (\$0.0220) | \$0.970 |
| Tenderloin (1.25 lb.) | \$2.935 | \$2.788 | \$0.1470 | \$2.446 |
| Picnic, untrmd. | \$0.527 | \$0.536 | (\$0.0090) | \$0.614 |
| 42% Trimmings | \$0.415 | \$0.411 | \$0.0040 | \$0.490 |
| 72% Trimmings | \$0.734 | \$0.650 | \$0.0840 | \$0.771 |



POULTRY - For the week ending May 27th, chicken output rose 3.2% from the previous week. Spot feed costs for producers last week rose to their most expensive level in 18 months causing spot margins to be their worst for the week since 2011. Chicken production growth is expected to be tempered in the coming weeks which should bring some support to the chicken markets. If the output slowdown persists into the fall, it could be accompanied with sharply higher chicken wing prices. The breast prices have declined in recent weeks and are on pace to average for the year at their least expensive price level since 2005. History suggest however, that the greater risk in the chicken breast markets longer term is to the upside. Prices USDA, FOB per pound except when noted.

Wings Whole



| POULTRY | Price | LstWk | Diff | Price 15 |
|-------------------------|---------|---------|------------|----------|
| Wings (whole) | \$1.420 | \$1.440 | (\$0.0200) | \$1.660 |
| Wings (jumbo, cut) | \$1.533 | \$1.561 | (\$0.0280) | \$1.757 |
| Breast, Bone In | \$0.945 | \$0.945 | - | \$1.310 |
| Breast, Bnless Skinless | \$1.460 | \$1.425 | \$0.0350 | \$2.055 |
| Tenderloin (random) | \$2.000 | \$2.000 | - | \$1.800 |
| Tenderloin (sized) | \$2.250 | \$2.250 | - | \$2.200 |
| Legs (whole) | \$0.408 | \$0.481 | (\$0.0730) | \$0.387 |
| Leg Quarters | \$0.345 | \$0.345 | - | \$0.475 |



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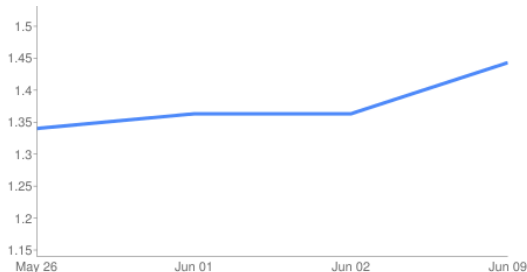
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DAIRY - The butter market is seasonally firming reaching its most expensive levels this week since early February. U.S. butter exports during April were down 42.3% from the previous year and the smallest for any month since November while butter imports were up 3.4%. The U.S. was a net butter importer by 3.2 million pounds adding 1.8% to the total supply. However, domestic butter consumption during the month was 5.5% more than 2015 and a record for the month. Butter prices are expected to trend below year ago levels later this summer. Cheese prices are starting to seasonally firm as well. Prices per pound, except Class I Cream (hundred weight), from USDA.

Cheese Blocks



| DAIRY | Price | Last Week | Difference |
|---------------|----------|-----------|------------|
| Barrels | \$1.4970 | \$1.4250 | \$0.0720 |
| 40 lb. blocks | \$1.4655 | \$1.3919 | \$0.0736 |
| Butter | \$2.1745 | \$2.0863 | \$0.0882 |
| NFDM-Grade A | \$0.8000 | \$0.8063 | (\$0.0062) |



OIL & GRAINS - Flour prices are increasing this week as wheat futures have traded to a higher close in six straight sessions. Funds have been covering their short positions driving some of this increase. Other factors include a weaker dollar that makes wheat more competitive on the world market

and wheat finding it hard to resist tagging along for the ride as Corn and Soybeans trade higher. Spring and winter wheat crop condition ratings are still high. We have seen some rain delays in the Texas winter wheat harvest, but the weather is turning more favorable. Some weather concerns are on the minds of market participants, but overall fundamentals are not driving the increase making it likely to reverse when the reality of burdensome ending stocks hits home once more.

| GRAINS + OILS | Price | LstWk | Diff | Price 15 |
|------------------------|-----------|-----------|------------|----------|
| Soybeans, bushel | \$11.153 | \$10.564 | \$0.5890 | \$9.61 |
| Crude Soybean Oil, lb. | \$0.309 | \$0.304 | \$0.0050 | \$0.34 |
| Corn, bushel | \$4.078 | \$3.853 | \$0.2250 | \$3.58 |
| Crude Corn Oil, lb. | \$0.390 | \$0.408 | (\$0.0180) | \$0.40 |
| Distillers Grain, Dry | \$157.500 | \$153.146 | \$4.3540 | \$164.08 |
| HRW Wheat, bushel | \$4.650 | \$4.270 | \$0.3800 | \$5.59 |
| DNS Wheat 14%, bushel | \$5.560 | \$5.300 | \$0.2600 | \$6.05 |
| Durum Wheat, bushel | \$5.625 | \$5.636 | (\$0.0110) | \$7.71 |



KITCHEN SINK - The chief U.S. tomato for processing harvest will be getting underway in the coming weeks. Lower raw product prices for canners this year should keep a lid on the canned tomato markets into the fall. Price bases noted below.

| Kitchen | Price | LstWk | Diff | Price 15 |
|--------------------------------|----------|----------|------------|----------|
| Whole Peeled, Stand (6/10) | \$11.881 | \$11.881 | - | \$12.73 |
| Tomato Paste- Industrial (lb.) | \$0.440 | \$0.440 | - | \$0.47 |
| Coffee, lb., ICE | \$1.322 | \$1.216 | \$0.1060 | \$1.37 |
| Sugar, lb., ICE | \$0.265 | \$0.270 | (\$0.0050) | \$0.25 |

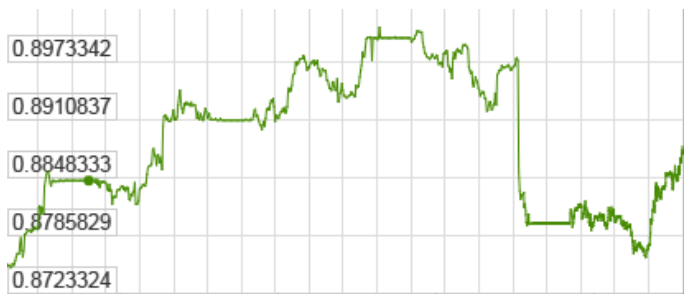


EURO vs. US Dollar

Current: \$0.8878

Lowest Last 30 Days: \$0.8700

Highest Last 30 Days: \$0.9007



Energy Commodities

| ENERGY | Price | LstWk | Diff | Price 15 |
|--------------------------|----------|----------|------------|----------|
| Crude Oil, barrel- nymex | \$50.980 | \$48.510 | \$2.4700 | \$60.18 |
| Natural Gas, mbtu- nymex | \$2.486 | \$2.332 | \$0.1540 | \$2.83 |
| Diesel Fuel, gal- nymex | \$1.563 | \$1.483 | \$0.0800 | \$1.93 |
| Electricity, mwht- nymex | \$46.350 | \$44.900 | \$1.4500 | \$57.45 |
| Gasoline, gal- nymex | \$1.601 | \$1.600 | \$0.0010 | \$2.07 |
| Diesel Fuel, gal- eia | \$2.407 | \$2.382 | \$0.0250 | \$2.88 |
| Ethanol, gal- usda | \$1.568 | \$1.572 | (\$0.0040) | \$1.46 |