



# Bellissimo Foods - Market Update

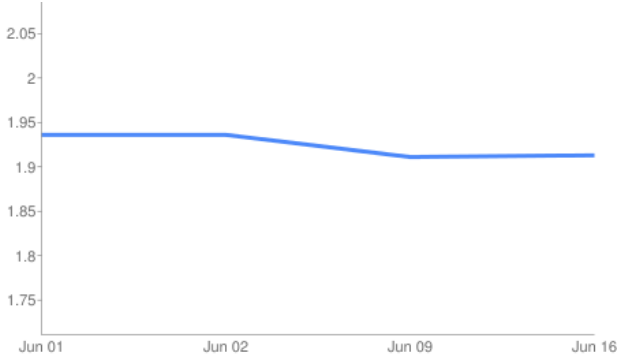
## Week of June 17, 2016 Summary

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



**BEEF** - Beef production last week climbed 13.4% from the prior week which included a holiday and was 8.9% bigger than the same week last year. Cattle weights have been trending below year ago levels which suggests that near slaughter ready cattle supplies have tightened. For the week ending May 28th, the average cattle carcass weight was .9% lighter than last year marking the steepest ending decline in year over year cattle weights since December 2011. Limited cattle supplies could be supportive of the cattle and beef markets in the near term. However, beef demand could be spotty during the next several weeks which could temper any upside price moves for beef. Price USDA, FOB per pound.

### Ground Beef



BEEF	Price	LstWk	Diff	Price 15
Ground Beef 81/19	\$1.913	\$1.911	\$0.0020	\$2.273
Ground Chuck	\$1.932	\$1.949	(\$0.0170)	\$2.569
116 Chuck (choice)	\$2.544	\$2.392	\$0.1520	\$3.077
168 Inside Round (ch.)	\$1.975	\$1.947	\$0.0280	\$2.983
184 Top Butt, bnls (ch.)	\$4.208	\$4.170	\$0.0380	\$3.742
193 Flank Steak (choice)	\$5.116	\$5.719	(\$0.6030)	\$6.975
50% Trimmings	\$0.900	\$0.788	\$0.1120	\$0.786
75% Trimmings	\$1.421	\$1.418	\$0.0030	\$2.064
90% Trimmings	\$2.198	\$2.193	\$0.0050	\$2.917



**PORK** - Pork output last week rose 9.6% from the prior Memorial Day week but was 1.7% less than last year. Seasonally declining pork production may underpin pork prices in the near term. But pork output is expected to rise this summer from the spring by its largest level since 2009 which should weigh on pork prices. That said, pork export demand could remain solid due in part to tight supplies in China. The country typically accounts for half of the world's pork consumption. U.S. pork exports to China during April were up 95% from 2015. Prices USDA, FOB per pound.

### Belly (bacon)

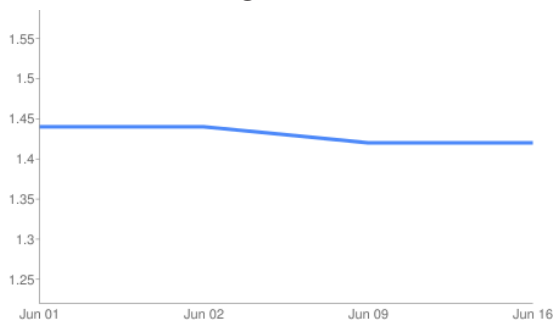


PORK	Price	LstWk	Diff	Price 15
Live Hogs	\$0.580	\$0.557	\$0.0230	\$0.568
Belly (bacon)	\$1.186	\$1.172	\$0.0140	\$1.090
Ham (23-27 lb.)	\$0.737	\$0.684	\$0.0530	\$0.623
Loin (bone-in)	\$0.933	\$0.941	(\$0.0080)	\$0.926
Tenderloin (1.25 lb.)	\$2.936	\$2.935	\$0.0010	\$2.467
Picnic, untrmd.	\$0.544	\$0.527	\$0.0170	\$0.643
42% Trimmings	\$0.408	\$0.415	(\$0.0070)	\$0.472
72% Trimmings	\$0.782	\$0.734	\$0.0480	\$0.829



**POULTRY** - For the week ending June 4th, chicken output was down 14.1% from the previous week. Poor profitability is behind the recent downturn in chick placements for the broiler supply. The six week moving average for chick placements is tracking .7% below 2015. The USDA is forecasting chicken output this summer to be just 1% better than the previous year. This could be supportive of the chicken markets including wings. Typically, the ARA Chicken Wing Index rises 17% for the June through October time period. The USDA is forecasting fourth quarter 2016 chicken output to be 3.4% bigger than the prior year. If realized, chicken wing prices are unlikely to test the highs made earlier this year. Breast prices may near \$1 a pound this fall. Prices USDA, FOB per pound except when noted.

### Wings Whole



POULTRY	Price	LstWk	Diff	Price 15
Wings (whole)	\$1.420	\$1.420	-	\$1.670
Wings (jumbo, cut)	\$1.541	\$1.533	\$0.0080	\$1.757
Breast, Bone In	\$0.945	\$0.945	-	\$1.270
Breast, Bnless Skinless	\$1.480	\$1.460	\$0.0200	\$1.945
Tenderloin (random)	\$2.100	\$2.000	\$0.1000	\$1.750
Tenderloin (sized)	\$2.300	\$2.250	\$0.0500	\$2.150
Legs (whole)	\$0.410	\$0.408	\$0.0020	\$0.441
Leg Quarters	\$0.345	\$0.345	-	\$0.460



# Bellissimo Foods - Market Update

## Week of June 17, 2016 Summary

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



**DAIRY** - The cheese markets have firmed during the last few weeks as milk production starts to cyclically decline and demand remains strong. Still, cheese inventories are being described as ample which is likely to mitigate any further cheese price increases into next month. The CME cheese block market in July has averaged slightly below June in each of the last three years. Butter prices are firming as well as cream supplies tighten. History suggests substantial butter price increases could be forthcoming however the markets are anticipated to track below 2015 levels during the summer. Prices per pound, except Class I Cream (hundred weight), from USDA.

### Cheese Blocks



DAIRY	Price	Last Week	Difference
Barrels	\$1.5450	\$1.4970	\$0.0480
40 lb. blocks	\$1.5260	\$1.4655	\$0.0605
Butter	\$2.3105	\$2.1745	\$0.1360
NFDM-Grade A	\$0.8420	\$0.8000	\$0.0420



**OIL & GRAINS** - Soybean oil prices have been relatively range bound as of late. However, soybean oil exports could improve in the coming months due to world food oil supply concerns which would be supportive of soybean oil prices. Earlier this month Cuba imported soybean oil from the U.S. for

the first time in five years. Prices USDA, FOB

GRAINS + OILS	Price	LstWk	Diff	Price 15
Soybeans, bushel	\$11.434	\$11.153	\$0.2810	\$9.70
Crude Soybean Oil, lb.	\$0.309	\$0.309	-	\$0.34
Corn, bushel	\$4.138	\$4.078	\$0.0600	\$3.49
Crude Corn Oil, lb.	\$0.404	\$0.390	\$0.0140	\$0.40
Distillers Grain, Dry	\$167.500	\$157.500	\$10.0000	\$146.21
HRW Wheat, bushel	\$4.330	\$4.650	(\$0.3200)	\$5.18
DNS Wheat 14%, bushel	\$5.420	\$5.560	(\$0.1400)	\$5.72
Durum Wheat, bushel	\$5.458	\$5.625	(\$0.1670)	\$7.66



**KITCHEN SINK** - Crop challenges have brought support to the coffee markets during the last few weeks. However, it may be very hard for coffee prices to move substantially higher from here

unless the Brazilian real appreciates further. 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	\$1.371	\$1.322	\$0.0490	\$1.27
Sugar, lb., ICE	\$0.273	\$0.265	\$0.0080	\$0.25

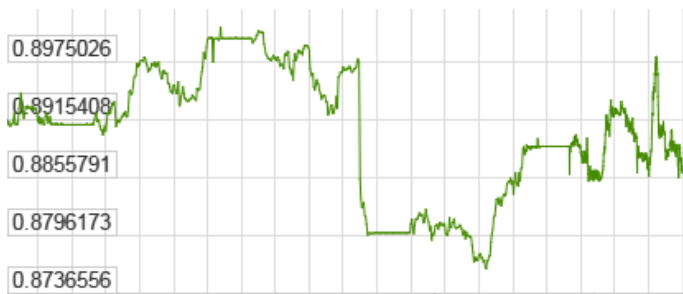


### EURO vs. US Dollar

Current: \$0.8860

Lowest Last 30 Days: \$0.8700

Highest Last 30 Days: \$0.9007



### Energy Commodities

ENERGY	Price	LstWk	Diff	Price 15
Crude Oil, barrel- nymex	\$47.800	\$50.980	(\$3.1800)	\$60.05
Natural Gas, mbtu- nymex	\$2.619	\$2.486	\$0.1330	\$2.89
Diesel Fuel, gal- nymex	\$1.475	\$1.563	(\$0.0880)	\$1.89
Electricity, mwh- nymex	\$46.250	\$46.350	(\$0.1000)	\$54.50
Gasoline, gal- nymex	\$1.478	\$1.601	(\$0.1230)	\$2.89
Diesel Fuel, gal- eia	\$2.431	\$2.407	\$0.0240	\$2.84
Ethanol, gal- usda	\$1.602	\$1.568	\$0.0340	\$1.44