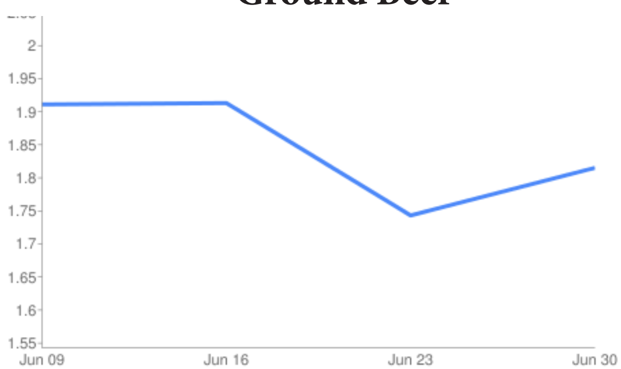
Bellissimo Foods - Market Update
Week of July 1, 2016 Summary

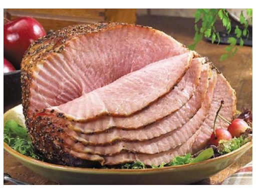
"Market Data from Foodservice.com (www.foodservice.com)"

BEEF - Beef production last week rose .2% and was 7.6% larger than the same week last year. And for the second consecutive week, cattle slaughter was the largest since the summer of 2014. Better cattle supplies are expected to fuel solid year over year gains in beef output during the next several months. The June 1st U.S. cattle on feed inventory was 2.2% bigger than the previous year while cattle placements into feedlots during May were up 9.6% from 2015. Further, the average placement weight of the cattle was 2% heavier than a year ago which should only add tonnage to production later this year. The beef markets are softening but solid forward beef sales could limit the downside soon. Price USDA, FOB per pound.per pound.

Ground Beef

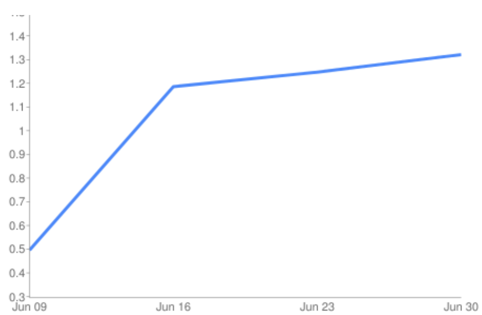


BEEF	Price	LstWk	Diff	Price 15
Ground Beef 81/19	$1.815	$1.743	$0.0720	$2.630
Ground Chuck	$1.927	$1.887	$0.0400	$2.590
116 Chuck (choice)	$2.454	$2.468	($0.0140)	$3.141
168 Inside Round (ch.)	$1.880	$1.819	$0.0610	$2.959
184 Top Butt, bnls (prime)	$3.805	$4.118	($0.3130)	$4.914
193 Flank Steak (choice)	$3.812	$4.452	($0.6400)	$7.014
50% Trimmings	$0.869	$0.886	($0.0170)	$0.706
75% Trimmings	$1.433	$1.422	$0.0110	$2.068
90% Trimmings	$2.186	$2.196	($0.0100)	$2.942



PORK - Pork output last week declined 2.7% and was 1.3% less than the same week last year. Better pork production levels are anticipated soon. The USDA is projecting third quarter pork output to rise from the second quarter by its largest level in seven years. Lower pork prices are anticipated later this summer. The June 1st U.S. hog and pig inventory was 1.8% larger than last year and the third biggest for any date on record. The swine breeding herd was up .9% from 2015 but declined from December by its largest amount since 2009. Prices USDA, FOB per pound.

Belly (bacon)



PORK	Price	LstWk	Diff	Price 15
Live Hogs	$0.600	$0.594	$0.0060	$0.546
Belly (bacon)	$1.321	$1.247	$0.0740	$1.211
Ham (23-27 lb.)	$0.834	$0.765	$0.0690	$0.573
Loin (bone-in)	$0.892	$0.906	($0.0140)	$0.858
Tenderloin (1.25 lb.)	$2.973	$2.967	$0.0060	$2.650
Picnic, untrmd.	$0.548	$0.556	($0.0080)	$0.586
42% Trimmings	$0.316	$0.341	($0.0250)	$0.351
72% Trimmings	$0.669	$0.839	($0.1700)	$0.681

POULTRY - For the week ending June 18th, chicken production rose .3% from the prior week and was 2.9% larger than the same week last year. Chicken output expansion this summer is expected to be only modest due in part to poor margins for chicken producers. The May boiler type chick hatch was .3% smaller than 2015 while the broiler layer flock declined 1.7% from 2015. The USDA is forecasting summer chicken production to track just 1% above the previous year. This could generally be supportive of the chicken markets. Chicken breast prices are on the rise due in part to shortened output with the ARA Boneless Skinless Chicken Breast Index climbing to a six week high. Still, only moderate chicken breast price gains are anticipated this summer. Prices USDA, FOB per pound except when noted.

Wings Whole

POULTRY	Price	LstWk	Diff	Price 15
Wings (whole)	$1.425	$1.425	-	$1.670
Wings (jumbo, cut)	$1.523	$1.552	($0.0290)	$1.788
Breast, Bone In	$0.945	$0.945	-	$1.280
Breast, Bnless Skinless	$1.610	$1.530	$0.0800	$1.935
Tenderloin (random)	$2.250	$2.150	$0.1000	$1.800
Tenderloin (sized)	$2.500	$2.400	$0.1000	$2.200
Legs (whole)	$0.454	$0.451	$0.0030	$0.361
Leg Quarters	$0.340	$0.340	-	$0.460

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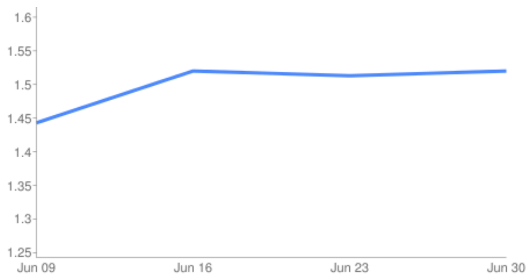
DAIRY - The cheese markets remain range-bound despite seasonal declines in milk and cheese output. May 31st cheese stocks were 12% larger than last year and a record. The net build in cheese supplies during the month was the biggest since 1999 and the second best in 39 years. Ample inventories could temper any seasonal cheese price increases. The butter market has been relatively steady as well. May 31st butter holdings were also historically large, up 23% from 2015 and the biggest for any date since October 1993. The upside price risk is likely limited in butter this summer. Prices per pound, except Class I Cream (hundred weight), from USDA.

Cheese Blocks



DAIRY	Price	Last Week	Difference
Barrels	$1.6285	$1.5400	$0.0885
40 lb. blocks	$1.5830	$1.5130	$0.0700
Butter	$2.3340	$2.3580	($0.0240)
NFDM-Grade A	$0.8755	$0.8900	($0.0145)

OIL & GRAINS - Hard red spring and winter wheat futures posted lower values on the close in each session this week, and have traded mostly steadily downward since their peak on June 8th. Basis premium prices have been firm to higher, but are fluctuating a bit as we approach the end of June and the move to September as the nearby futures value. Commodities are not safe from the after effects of the "Brexit" vote, the strengthening of the U.S. dollar could slow the improvement we've seen recently in U.S. wheat export sales. This season's good quality hard red winter wheat crop with its record-breaking yields continues to progress. Mounting concerns over the scarcity of higher protein in the new crop are likely to be eased over time as participants are reminded of the great stores of wheat available in storage, but higher protein winter wheat basis levels are likely to be at a premium this crop year.

GRAINS + OILS	Price	LstWk	Diff	Price 15
Soybeans, bushel	$11.384	$11.119	$0.2650	$10.51
Crude Soybean Oil, lb.	$0.295	$0.297	($0.0020)	$0.34
Corn, bushel	$3.654	$3.716	($0.0620)	$3.97
Crude Corn Oil, lb.	$0.396	$0.408	($0.0120)	$0.41
Distillers Grain, Dry	$159.750	$170.000	($10.2500)	$136.71
HRW Wheat, bushel	$3.830	$4.100	($0.2700)	$6.12
DNS Wheat 14%, bushel	$5.060	$5.340	($0.2800)	$6.52
Durum Wheat, bushel	$5.975	$5.688	$0.2870	$7.47

KITCHEN SINK - The June 1st domestic tomato for processing inventory was 39% larger than the previous year and the biggest for the date on record. Canned tomato prices may remain relatively engaging through the summer. Price bases noted below

Kitchen	Price	LstWk	Diff	Price 15
Whole Peeled, Stand (6/10)	$12.033	$12.033	-	$12.75
Tomato Paste- Industrial (lb.)	$0.446	$0.446	-	$0.47
Coffee, lb., ICE	$1.428	$1.385	$0.0430	$1.32
Sugar, lb., ICE	$0.280	$0.279	$0.0010	$0.25

EURO vs. US Dollar

Current: $0.8982
Lowest Last 30 Days: $0.8754
Highest Last 30 Days: $0.9113

Energy Commodities

ENERGY	Price	LstWk	Diff	Price 15
Crude Oil, barrel- nymex	$48.200	$50.190	($1.9900)	$58.59
Natural Gas, mbtu- nymex	$2.928	$2.762	$0.1660	$2.81
Diesel Fuel, gal- nymex	$1.501	$1.541	($0.0400)	$1.87
Electricity, mwht- nymex	$44.300	$43.450	$0.8500	$44.55
Gasoline, gal- nymex	$1.518	$1.617	($0.0990)	$2.81
Diesel Fuel, gal- eia	$2.426	$2.426	-	$2.84