



Bellissimo Foods - Market Update

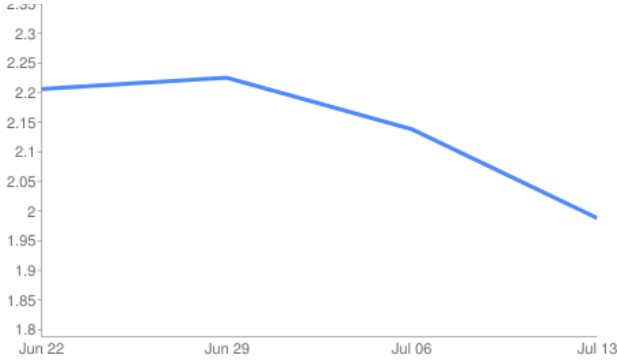
Week Ended July 14, 2017 Summary

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



BEEF - Beef output last week was shortened due to the holiday, declining 14.2% from the prior week but was up 3.6% versus the same week last year. Fairly large cattle slaughter is anticipated during the next few weeks which could weigh on the markets. However, forward sales are starting to escalate, reaching an 11-week high last week, which suggests price support could develop thereafter. Forward ground beef and chuck sale prices are holding up well, similar to the current spot markets signaling the downside price risk in those items may be nominal. Beef output is forecasted by the USDA to remain well above 2016 levels for the time being but some supply gaps could occur this fall.

Ground Beef

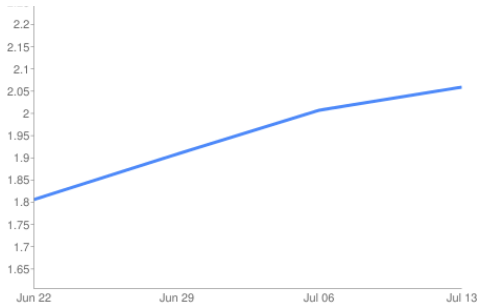


BEEF	Price	LstWk	Diff	Price 16
Ground Beef 81/19	\$1.988	\$2.138	(\$0.1500)	\$1.610
Ground Chuck	\$2.133	\$2.243	(\$0.1100)	\$1.887
116 Chuck (choice)	\$2.412	\$2.466	(\$0.0540)	\$2.433
168 Inside Round (ch.)	\$2.222	\$2.445	(\$0.2230)	\$2.028
184 Top Butt, bnls (ch.)	\$3.671	\$3.718	(\$0.0470)	\$3.691
193 Flank Steak (choice)	\$4.992	\$5.019	(\$0.0270)	\$3.936
50% Trimmings	\$0.994	\$0.991	\$0.0030	\$0.907
75% Trimmings	\$1.855	\$1.841	\$0.0140	\$1.458
90% Trimmings	\$2.343	\$2.319	\$0.0240	\$2.180



PORK - Pork production last week declined 15.8% from the prior week due to the holiday, but was .7% above the same week last year. Hog supplies remain seasonally limited but should improve in the not-so-distant future. Pork production during Q3 of this year is forecasted by the USDA to expand by the largest amount compared to the prior quarter since 2009. This could be accompanied with some rather sharp declines in several of the pork markets, including bellies. However, tight stocks could prop belly prices above 2016 this fall.

Belly (bacon)

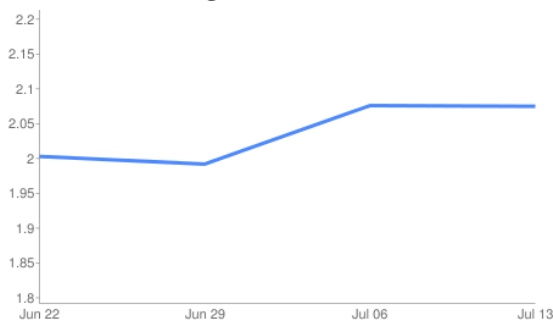


PORK	Price	LstWk	Diff	Price 16
Live Hogs	\$0.642	\$0.635	\$0.0070	\$0.566
Belly (bacon)	\$2.059	\$2.007	\$0.0520	\$1.354
Ham (23-27 lb.)	\$0.812	\$0.764	\$0.0480	\$0.866
Loin (bone-in)	\$0.970	\$0.952	\$0.0180	\$0.884
Tenderloin (1.25 lb.)	\$2.404	\$2.370	\$0.0340	\$2.803
Picnic, untrmd.	\$0.679	\$0.690	(\$0.0110)	\$0.581
42% Trimmings	\$0.618	\$0.677	(\$0.0590)	\$0.413
72% Trimmings	\$0.870	\$0.878	(\$0.0080)	\$0.809



POULTRY - Chicken output for the week ending July 1st rose 4.8% from the prior week and was 4.4% larger than the same week last year. The six-week running total of chicken production stands at 2.5% better than 2016. Still, the chicken markets have remained resilient which is a sign of strong demand. Recent chick placement data suggests that year over year chicken output growth should slow shortly. The six-week moving average for chick placements is tracking just 1.3% above the previous year. This could be especially supportive of the chicken wing markets as the football season nears. The number of table egg laying hens as of June 1st was 1.4% larger than last year but fell from the prior month for the sixth consecutive time. This could support table egg prices later this year when demand seasonally rises.

Wings Jumbo Cut



POULTRY	Price	LstWk	Diff	Price 16
Wings (jumbo, cut)	\$2.075	\$2.076	(\$0.0010)	\$1.531
Wing Index- (ARA)	\$2.083	\$2.074	\$0.0090	\$1.538
Breast, Bnless Index (ARA)	\$1.570	\$1.603	(\$0.0330)	\$1.322
Tenderloin Index- (ARA)	\$2.021	\$1.995	\$0.0260	\$2.076
Legs (whole)	\$0.501	\$0.520	(\$0.0190)	\$0.406
Leg Qtr Index (ARA)	\$0.402	\$0.389	\$0.0130	\$0.307
Thighs, bone in	\$0.787	\$0.750	\$0.0370	\$0.573



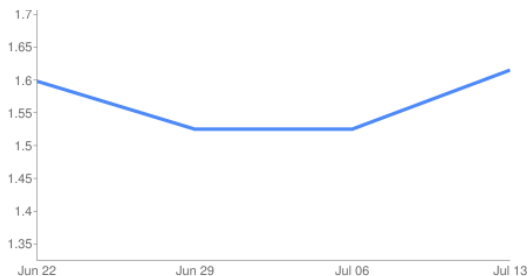
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DAIRY - The CME butter market remains inflated as disappointing domestic output has tightened supplies. During May, U.S. butter production was 1.8% less than the previous year. Despite being a net importer during the month, U.S. supplies were 2.1% less than 2016 due to the slowed output and lower carry-in stocks. Class IV milk is starting to price above Class III which could aid butter production in the coming months. But butter may remain firm in the near-term due to strong export demand. May U.S. cheese output was 4% less than the prior year. Firmer cheese prices are expected soon.

Cheese Blocks



Dairy	Price	Last Week	Difference
Barrels	\$1.4330	\$1.3663	\$0.0668
40 lb. blocks	\$1.6250	\$1.5431	\$0.0819
Butter	\$2.5985	\$2.6119	(\$0.0134)
NFDM-Grade A	\$0.8690	\$0.8550	\$0.0140



OIL & GRAINS - Wheat futures have fallen back from the highs set mid last week. Basis premium prices have softened a bit as wheat movement has been steady. This is due in part to the premium price wheat producers can collect following the recent run-up. The USDA

published their first wheat forecast of the season Wednesday, somewhat surprising the market with better than expected projections. It's important to remember this report was based on wheat conditions in very early July; subsequent reports could better reflect the drop in production resulting from issues with drought in the spring wheat crop, harvest weather and disease in the winter wheat crop. The report did project a 22% smaller crop than last year, but thoughts were that is already factored into the market following weeks of higher futures trades. World wheat stocks remain adequate or better; crop issues in the U.S. and other countries were offset by better prospects for the Russian crop. No allowance for a drop in the EU or Canada was reported yet in the USDA's forecast. Welcome news was that some pockets of higher protein hard red winter wheat have been harvested but with the drought still worsening in Montana and the Dakotas, no doubt the volatility will continue.

GRAINS + OILS	Price	LstWk	Diff	Price 16
Soybeans, bushel	\$10.021	\$9.496	\$0.5250	\$10.93
Crude Soybean Oil, lb.	\$0.331	\$0.329	\$0.0020	\$0.29
Corn, bushel	\$3.638	\$3.536	\$0.1020	\$3.35
Crude Corn Oil, lb.	\$0.380	\$0.370	\$0.0100	\$0.39
Distillers Grain, Dry	\$107.521	\$106.292	\$1.2290	\$145.50
HRW Wheat, bushel	\$5.185	\$5.210	(\$0.0250)	\$3.73
DNS Wheat 14%, bushel	\$8.110	\$8.310	(\$0.2000)	\$4.97
Durum Wheat, bushel	\$7.285	\$6.836	\$0.4490	\$5.67



KITCHEN SINK - The most recent West African cocoa harvest has been better than initial expectations which is weighing on cocoa prices. However, nearby cocoa futures have not traded

appreciably below the existing price levels in numerous years which suggests a bottom is near.

Kitchen	Price	LstWk	Diff	Price 16
Whole Peeled, Stand (6/10)	\$12.057	\$12.057	-	\$12.03
Tomato Paste- Industrial (lb.)	\$0.446	\$0.446	-	\$0.45
Coffee, lb., ICE	\$1.245	\$1.277	(\$0.0320)	\$1.46
Sugar, lb., ICE	\$0.272	\$0.275	(\$0.0030)	\$0.28



**EURO vs.
US Dollar**

Current: \$0.8732

Lowest Last 30 Days: \$0.8704

Highest Last 30 Days: \$0.8987



Energy Commodities

ENERGY	Price	LstWk	Diff	Price 16
Crude Oil, barrel- ny-mex	\$45.870	\$45.240	\$0.6300	\$46.43
Natural Gas, mbtu- ny-mex	\$3.003	\$2.835	\$0.1680	\$2.74
Diesel Fuel, gal- nymex	\$1.491	\$1.481	\$0.0100	\$1.44
Electricity, mwht- ny-mex	\$36.430	\$36.000	\$0.4300	\$41.90
Gasoline, gal- nymex	\$1.533	\$1.503	\$0.0300	\$1.41
Diesel Fuel, gal- eia	\$2.481	\$2.472	\$0.0090	\$2.41
Ethanol, gal- usda	\$1.450	\$1.470	(\$0.0200)	\$1.52