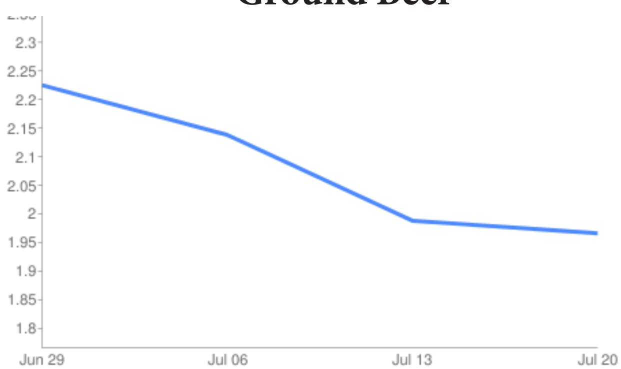
Bellissimo Foods - Market Update
Week Ended July 21, 2017 Summary

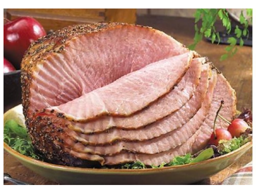
"Market Data from Foodservice.com (www.foodservice.com)"

BEEF - Beef production last week rose notably from the holiday shorted prior week and was 4.4% better than the same week last year. Ample near slaughter ready cattle supplies are expected to cause beef output to trend above 2016 levels for the next several months. The USDA is forecasting Q4 2017 beef production to be 5% bigger than last year. Beef prices have continued to decline as of late with the USDA choice boxed beef cutout falling to a multi-month low. But buyers are starting to step back in with spot shipments last week the largest since the fall of 2015. This suggests the downside price risk in beef from here is limited.

Ground Beef

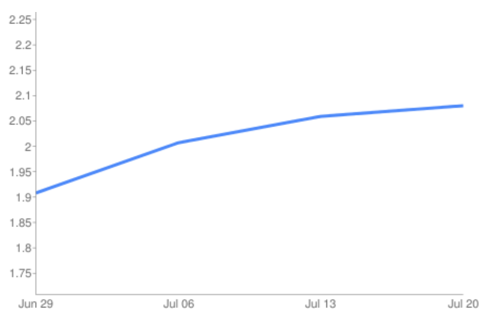


BEEF	Price	LstWk	Diff	Price 16
Ground Beef 81/19	$1.966	$1.988	($0.0220)	$1.603
Ground Chuck	$1.958	$2.133	($0.1750)	$1.725
116 Chuck (select)	$2.397	$2.324	$0.0730	$2.344
168 Inside Round (ch.)	$2.262	$2.222	$0.0400	$1.994
184 Top Butt, bnls (ch.)	$3.758	$3.671	$0.0870	$3.557
193 Flank Steak (choice)	$4.614	$4.992	($0.3780)	$4.020
50% Trimmings	$0.896	$0.994	($0.0980)	$0.893
75% Trimmings	$1.855	$1.855	-	$1.431
90% Trimmings	$2.381	$2.343	$0.0380	$2.189



PORK - Pork output last week rose notably from the holiday shortened prior week and was 3% bigger than 2016. Hog slaughter reached an eight-week high. Hog supplies will seasonally expand in the coming weeks and months which should put downward pressure on most of the pork markets. The five-year average move for the 23-27 lb. ham market during the next two months is a decline of 12.4%. Ham prices usually find some support in late September in response to holiday purchasing.

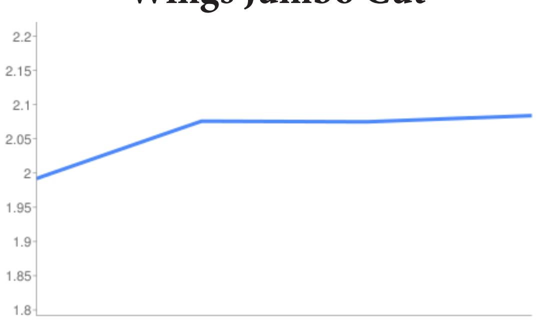
Belly (bacon)



PORK	Price	LstWk	Diff	Price 16
Live Hogs	$0.638	$0.642	($0.0040)	$0.543
Belly (bacon)	$2.080	$2.059	$0.0210	$1.405
Ham (23-27 lb.)	$0.805	$0.812	($0.0070)	$0.829
Loin (bone-in)	$0.945	$0.970	($0.0250)	$0.869
Tenderloin (1.25 lb.)	$2.422	$2.404	$0.0180	$2.646
Picnic, untrmd.	$0.694	$0.679	$0.0150	$0.611
42% Trimmings	$0.687	$0.618	$0.0690	$0.442

POULTRY - Chicken production for the week ending July 8th fell sharply from the previous week due to the holiday and was just .6% larger than the same week last year. Broiler weights during the last six weeks have tracked .9% above the prior year. In 2017 before that, weights averaged down .6%. If broiler weights remain heavy, it would aid chicken output in the coming months. The USDA is forecasting chicken output this summer to be just 1.6% larger than 2016. But, better year over year gains are projected by the USDA for the fall. Chicken producer margins are some of their best for this time of the year in a decade. This should also aid chicken production later this year. The greater risk in the chicken breast markets is lower.

Wings Jumbo Cut



POULTRY	Price	LstWk	Diff	Price 16
Wings (jumbo, cut)	$2.084	$2.075	$0.0090	$1.570
Wing Index- (ARA)	$2.079	$2.083	($0.0040)	$1.581
Breast, Bnless Index (ARA)	$1.557	$1.570	($0.0130)	$1.219
Tenderloin Index- (ARA)	$2.022	$2.021	$0.0010	$2.077
Legs (whole)	$0.546	$0.501	$0.0450	$0.443
Leg Qtr Index (ARA)	$0.408	$0.402	$0.0060	$0.318
Thighs, bone in	$0.759	$0.787	($0.0280)	$0.570

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DAIRY - The cheese markets are beginning to seasonally firm in part to better export interest. U.S. cheese exports during May were 48.3% bigger than the previous year, a record for the month, and the largest for any month since the spring of 2014. Modestly higher cheese prices may be forthcoming. U.S. butter exports during May were 177.4% larger than last year but the U.S. remained a net importer. Record butter prices in Europe could encourage U.S. butter exports in the coming weeks which would underpin butter prices. Yet, longer term, the risk in butter prices is lower.

Cheese Blocks

Dairy	Price	Last Week	Difference
Barrels	$1.4550	$1.4330	$0.0220
40 lb. blocks	$1.7055	$1.6250	$0.0805
Butter	$2.6175	$2.5985	$0.0190
NFDM-Grade A	$0.8595	$0.8690	($0.0095)

OIL & GRAINS - Wheat futures and basis premium prices are lower this week. Winter wheat futures fell sharply as harvest moves toward completion. Higher protein winter wheat basis fell sharply, but from such high levels the impact was limited. Some small pockets of protein in the hard red winter wheat crop revealed themselves in South Dakota, but maybe more importantly, it is thought plans for blending to compensate for lack of protein in this crop were formulated where possible, which stopped the sky high bidding and allowed the basis to fall back. Hopeful forecasts for rain that might shrink the worst of the U.S. spring wheat drought stricken area materialize at the same time speculation is made that any rain that does come is too late to help. The U.S. durum crop has deteriorated steadily throughout the past few weeks. Durum is becoming more scarce and more expensive.

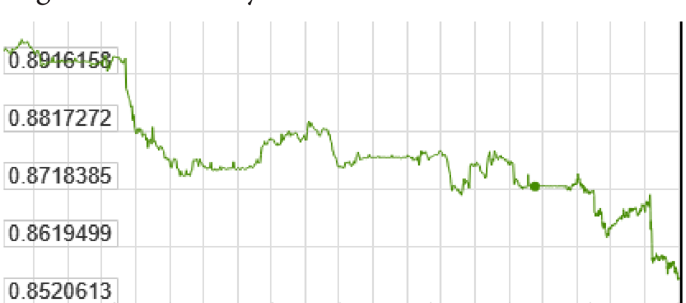
GRAINS + OILS	Price	LstWk	Diff	Price 16
Soybeans, bushel	$9.661	$10.021	($0.3600)	$10.35
Crude Soybean Oil, lb.	$0.324	$0.331	($0.0070)	$0.29
Corn, bushel	$3.413	$3.638	($0.2250)	$3.24
Crude Corn Oil, lb.	$0.370	$0.380	($0.0100)	$0.39
Distillers Grain, Dry	$107.729	$107.521	$0.2080	$142.50
HRW Wheat, bushel	$4.630	$5.185	($0.5550)	$3.62
DNS Wheat 14%, bushel	$7.900	$8.110	($0.2100)	$4.83
Durum Wheat, bushel	$7.610	$7.285	$0.3250	$5.33

KITCHEN SINK - The chief tomato for processing harvest in California has started under relatively favorable weather conditions. However, due to smaller plantings, output this year is anticipated to fall to a multi-year low which could be supportive of canned tomato prices.

Kitchen	Price	LstWk	Diff	Price 16
Whole Peeled, Stand (6/10)	$12.249	$12.057	$0.1920	$11.98
Tomato Paste- Industrial (lb.)	$0.454	$0.446	$0.0080	$0.44
Coffee, lb., ICE	$1.312	$1.245	$0.0670	$0.47
Sugar, lb., ICE	$0.269	$0.272	($0.0030)	$0.28

EURO vs. US Dollar

Current: $0.8563
Lowest Last 30 Days: $0.8563
Highest Last 30 Days: $0.8970



Energy Commodities

ENERGY	Price	LstWk	Diff	Price 16
Crude Oil, barrel- nymex	$46.780	$45.870	$0.9100	$44.70
Natural Gas, mbtu- nymex	$3.068	$3.003	$0.0650	$2.64
Diesel Fuel, gal- nymex	$1.532	$1.491	$0.0410	$1.40
Electricity, mwht- nymex	$35.400	$36.430	($1.0300)	$38.92
Gasoline, gal- nymex	$1.556	$1.533	$0.0230	$1.35
Diesel Fuel, gal- eia	$2.491	$2.481	$0.0100	$2.40
Ethanol, gal- usda	$1.497	$1.450	$0.0470	$1.54