



Bellissimo Foods - Market Update

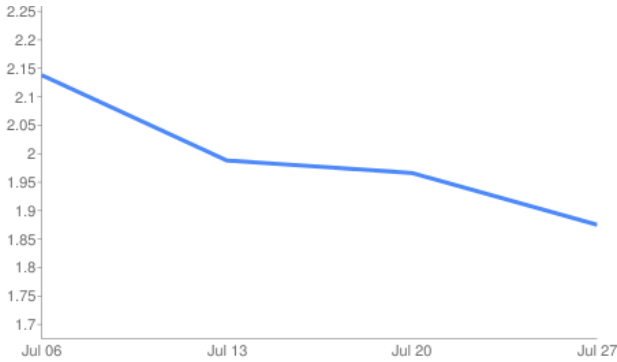
Week Ended July 28, 2017 Summary

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



BEEF - Beef output last week fell .8% but was 2.4% larger than the same week last year. The July 1st cattle on feed inventory was 2.7% larger than 2016 with June placements into feedlots up a whopping 16.1%. Slaughter ready cattle supplies should be adequate this fall, but there is some concern that cattle numbers may tighten this winter. Strong retail feature activity is occurring and expected to persist into the Labor Day holiday. This should boost demand and support ground beef and steak cut prices in the near term. Since 2012, the average move for the 81/19 ground beef market during August was 14.2% higher.

Ground Beef

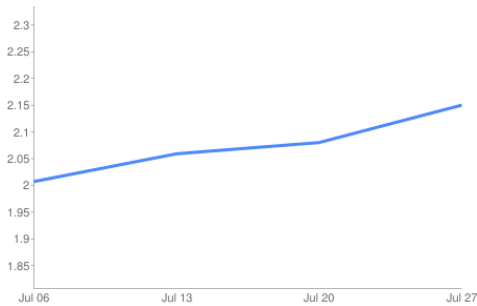


BEEF	Price	LstWk	Diff	Price 16
Ground Beef 81/19	\$1.875	\$1.966	(\$0.0910)	\$1.637
Ground Chuck	\$1.959	\$1.958	\$0.0010	\$1.842
116 Chuck (select)	\$2.453	\$2.397	\$0.0560	\$2.303
168 Inside Round (ch.)	\$2.258	\$2.262	\$0.0400	\$1.985
184 Top Butt, bnls (ch.)	\$3.700	\$3.758	(\$0.0580)	\$3.464
193 Flank Steak (choice)	\$4.560	\$4.614	(\$0.0540)	\$3.935
50% Trimmings	\$0.876	\$0.896	(\$0.0200)	\$0.906
75% Trimmings	\$1.893	\$1.855	\$0.0380	\$1.459
90% Trimmings	\$2.340	\$2.381	(\$0.0410)	\$2.181



PORK - Pork production grew .8% last week and was 2.9% larger than a year ago. Hog numbers are likely to pick up, and pork output is expected to seasonally rise in the coming months. This suggests that the upside price risk in most of the pork markets may be limited. June 30th U.S. pork stocks were 4% less than 2016 with picnics (3%), bellies (65%), and trim (5%) holdings lower. Belly stocks fell 29.4% from May and were a record low. That said, since 2012, the average move for the pork belly primal over the next two months was 15.7% lower.

Belly (bacon)

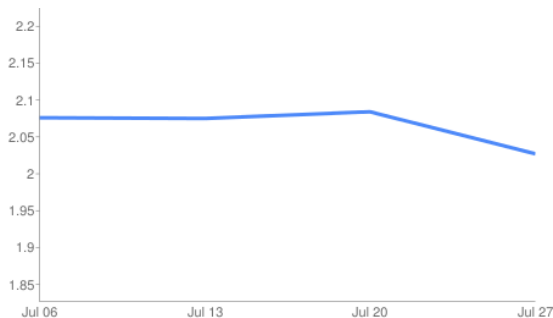


PORK	Price	LstWk	Diff	Price 16
Live Hogs	\$0.617	\$0.638	(\$0.0210)	\$0.694
Belly (bacon)	\$2.150	\$2.080	\$0.0700	\$1.338
Ham (23-27 lb.)	\$0.752	\$0.805	(\$0.0530)	\$0.683
Loin (bone-in)	\$0.907	\$0.945	(\$0.0380)	\$0.853
Tenderloin (1.25 lb.)	\$2.439	\$2.422	\$0.0170	\$2.561
Picnic, untrmd.	\$0.664	\$0.694	(\$0.0300)	\$0.604
42% Trimmings	\$0.701	\$0.687	\$0.0140	\$0.506



POULTRY - For the week ending June 15th, chicken output was 4.3% larger than the same week last year. Year-to-date chicken production was running only 1% over 2016, below earlier USDA estimates. However, better year-over-year gains in chicken output may be forthcoming. The June broiler type chick hatch was 3% bigger than last year. The USDA is calling fourth quarter chicken production to be 2.8% better than last year. If these year-over-year gains aren't realized, it would be particularly supportive of chicken wing prices this fall. Chicken producers may be trying to grow output at better levels longer term. The number of broiler layers as of July 1st was 1% more than last year. The upside price risk for chicken breasts in August is nominal.

Wings Jumbo Cut



POULTRY	Price	LstWk	Diff	Price 16
Wings (jumbo, cut)	\$2.027	\$2.084	(\$0.0570)	\$1.588
Wing Index- (ARA)	\$2.069	\$2.079	(\$0.0100)	\$1.580
Breast, Bnless Index (ARA)	\$1.470	\$1.557	(\$0.0870)	\$1.177
Tenderloin Index- (ARA)	\$2.022	\$2.022	-	\$2.077
Legs (whole)	\$0.517	\$0.546	(\$0.0290)	\$0.417
Leg Qtr Index (ARA)	\$0.410	\$0.408	\$0.0020	\$0.328
Thighs, bone in	\$0.774	\$0.759	\$0.0150	\$0.574



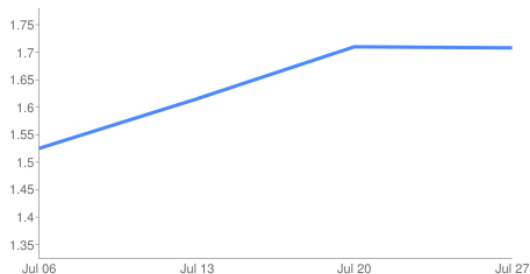
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DAIRY - The CME butter market remains relatively high despite adequate stocks. As of June 30th, U.S. butter holdings were 5.5% less than the previous year, but the third biggest for the month in 24 years. It was the smallest net butter inventory drawdown for June since 2013. Solid export demand and seasonally fading production could support the butter markets in the coming weeks. June 30th cheese supplies were 5.5% more than 2016 and a record for the month. The June drawdown in stocks was the largest percentage drop since 1999. Cheese prices usually trend upward during August.

Cheese Blocks



Dairy	Price	Last Week	Difference
Barrels	\$1.4685	\$1.4550	\$0.0135
40 lb. blocks	\$1.7185	\$1.7055	\$0.0130
Butter	\$2.6345	\$2.6175	\$0.0170
NFDM-Grade A	\$0.8615	\$0.8595	\$0.0020



OIL & GRAINS - Wheat futures fell sharply again this week. Spring wheat basis levels were mostly firm. Winter wheat basis has fallen in the past few sessions as hard red winter wheat harvest is wrapping up. A good supply of hard red winter wheat had come to

market, and mills were not in desperate need of more at this time. This year's winter wheat crop does lack protein as was the concern for some time, but pockets of protein were found. This higher protein winter wheat is likely to be expensive until next year's new harvest. The Wheat Quality Council's spring wheat tour is traveling through North Dakota this week, finding a very drought stricken crop in Western North Dakota. The spring wheat harvest has begun in South Dakota. We expect a small but high protein crop, and are thankful for wheat that is in storage from previous harvests. This break in the market has been very welcome to wheat and flour buyers, but it remains to be seen how far the markets will fall, or if they will turn higher during the spring wheat harvest.

GRAINS + OILS	Price	LstWk	Diff	Price 16
Soybeans, bushel	\$9.651	\$9.661	(\$0.0100)	\$9.87
Crude Soybean Oil, lb.	\$0.328	\$0.324	\$0.0040	\$0.28
Corn, bushel	\$3.317	\$3.413	(\$0.0960)	\$3.17
Crude Corn Oil, lb.	\$0.381	\$0.370	\$0.0110	\$0.34
Distillers Grain, Dry	\$111.500	\$107.729	\$3.7710	\$137.08
HRW Wheat, bushel	\$4.338	\$4.630	(\$0.2920)	\$3.55
DNS Wheat 14%, bushel	\$7.225	\$7.900	(\$0.6750)	\$4.81
Durum Wheat, bushel	\$8.156	\$7.610	\$0.5460	\$5.21



KITCHEN SINK - Coffee prices have strengthened during the last few weeks after making a 16-month low in June. It was no coincidence that Brazilian real has firmed versus the greenback in

recent weeks, discouraging imports from the world's biggest coffee seller. Higher coffee prices can still arise.

Kitchen	Price	LstWk	Diff	Price 16
Whole Peeled, Stand (6/10)	\$12.249	\$12.249	-	\$12.03
Tomato Paste- Industrial (lb.)	\$0.454	\$0.454	-	\$0.45
Coffee, lb., ICE	\$1.306	\$1.312	(\$0.0060)	\$1.42
Sugar, lb., ICE	\$0.258	\$0.269	(\$0.0110)	\$0.28



EURO vs. US Dollar

Current: \$0.8511

Lowest Last 30 Days: \$0.8505

Highest Last 30 Days: \$0.8831



Energy Commodities

ENERGY	Price	LstWk	Diff	Price 16
Crude Oil, barrel- ny-mex	\$48.330	\$46.780	\$1.5500	\$42.98
Natural Gas, mbtu- ny-mex	\$2.918	\$3.068	(\$0.1500)	\$2.69
Diesel Fuel, gal- nymex	\$1.582	\$1.532	\$0.0500	\$1.35
Electricity, mwht- ny-mex	\$34.240	\$35.400	(\$1.1600)	\$37.47
Gasoline, gal- nymex	\$1.567	\$1.556	\$0.0110	\$1.36
Diesel Fuel, gal- eia	\$2.507	\$2.491	\$0.0160	\$2.38
Ethanol, gal- usda	\$1.535	\$1.497	\$0.0380	\$1.42