



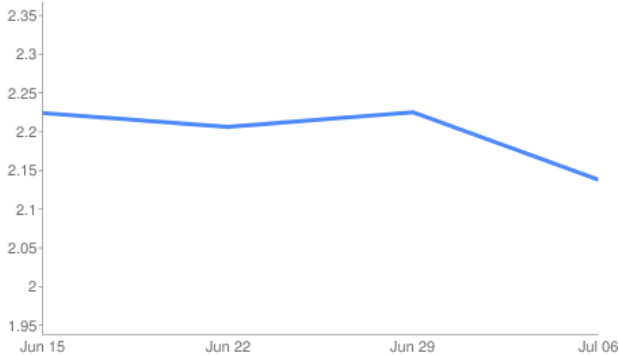
# Bellissimo Foods - Market Update Week Ended July 7, 2017 Summary

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



**BEEF** - Beef production last week rose 1.5% and was 3.5% larger than the same week last year. Solid year over year beef output expansion is likely in the coming weeks. The USDA is forecasting Q3 total protein production to be 3.6% larger than 2016 marking the largest year over year gain in the last five quarters. This could weigh on the beef markets. However, holiday shortened output could bring support to prices in the near term. Further, the recent market declines are starting to spur retail buying interest for August which could bring further support. May 30th boneless beef stocks were 11% less than the prior year. The seasonal trend in beef 50% trim is lower during the summer.

## Ground Beef

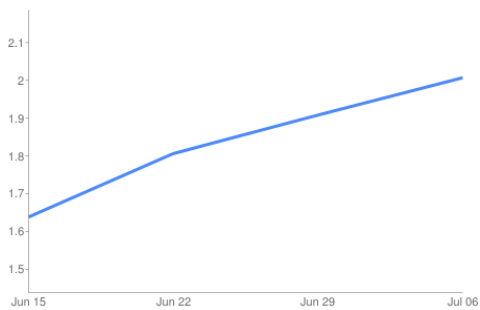


BEEF	Price	LstWk	Diff	Price 16
Ground Beef 81/19	\$2.138	\$2.225	(\$0.0870)	\$1.886
Ground Chuck	\$2.243	\$2.358	(\$0.1150)	\$1.831
116 Chuck (select)	\$2.402	\$2.523	(\$0.1210)	\$2.392
168 Inside Round (ch.)	\$2.445	\$2.610	(\$0.1650)	\$2.007
184 Top Butt, bnls (ch.)	\$3.718	\$3.600	\$0.1180	\$3.619
193 Flank Steak (choice)	\$5.019	\$5.173	(\$0.1540)	\$4.122
50% Trimmings	\$0.991	\$1.136	(\$0.1450)	\$0.898
75% Trimmings	\$1.841	\$1.832	\$0.0090	\$1.443
90% Trimmings	\$2.319	\$2.328	(\$0.0090)	\$2.188



**PORK** - Pork output last week rose 2% and was 3.8% bigger than the same week a year ago. Pork production will seasonally bottom in the not-so-distant future. This suggests that a top may be near for many of the pork markets. Pork output should continue to trend well above the prior year levels into 2018. According to the USDA, the June 1st U.S. hog and pig inventory was 3.4% larger than last year with the breeding herd up 1.5%. Pig per litter yields continue to expand as well, higher by .7% from 2016 for the March to May period.

## Belly (bacon)

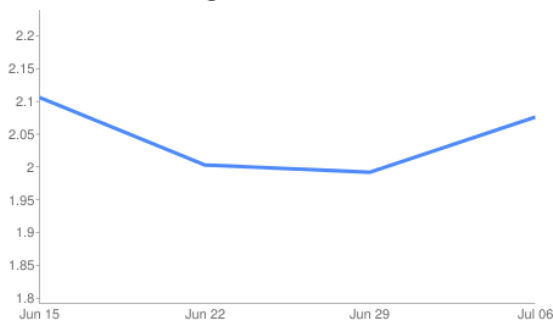


PORK	Price	LstWk	Diff	Price 16
Live Hogs	\$0.635	\$0.638	(\$0.0030)	\$0.581
Belly (bacon)	\$2.007	\$1.908	\$0.0990	\$1.315
Ham (23-27 lb.)	\$0.764	\$0.743	\$0.0210	\$0.818
Loin (bone-in)	\$0.952	\$0.952	-	\$0.875
Tenderloin (1.25 lb.)	\$2.370	\$2.327	\$0.0430	\$2.882
Picnic, untrmd.	\$0.690	\$0.682	\$0.0080	\$0.551
42% Trimmings	\$0.677	\$0.662	\$0.0150	\$0.323
72% Trimmings	\$0.878	\$0.976	(\$0.0980)	\$0.722



**POULTRY** - Chicken production for the week ending June 24th declined 2.6% from the previous week and was 1.6% less than the same week last year. The six-week running total of chicken output is 2.1% larger than 2016. Recent data suggests year over year gains in chicken production may be tempered in the near term. The six-week moving average of chick placements stands at just 1.3% better than the previous year. Production challenges may limit output during the summer which could buoy the chicken markets. It is likely that chicken wing prices will be historically inflated for the beginning of the football season in September. Table egg prices remain deflated. Producers are reducing the size of the table egg layer flock which eventually should bring support to the table egg and processed egg markets.

## Wings Jumbo Cut



POULTRY	Price	LstWk	Diff	Price 16
Wings (jumbo, cut)	\$2.076	\$1.992	\$0.0840	\$1.535
Wing Index- (ARA)	\$2.074	\$2.045	\$0.0290	\$1.561
Breast, Bnless Index (ARA)	\$1.603	\$1.602	\$0.0010	\$1.335
Tenderloin Index- (ARA)	\$1.995	\$1.993	\$0.0020	\$2.027
Legs (whole)	\$0.520	\$0.537	(\$0.0170)	\$0.448
Leg Qtr Index (ARA)	\$0.389	\$0.375	\$0.0140	\$0.321
Thighs, bone in	\$0.750	\$0.749	\$0.0010	\$0.567



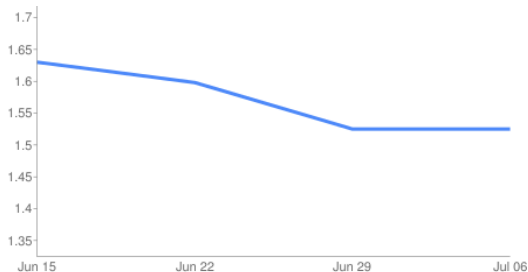
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**DAIRY** - The CME cheese markets have remained fairly range-bound during the last week. However, CME cheese continues to trade well below the international markets which should encourage exports in the coming months. Further, the seasonal tendency for cheese prices during the summer is to firm. And lastly, class III milk is starting to trade at a discount to class IV which could temper cheese output this month. Higher cheese prices are anticipated. The CME butter market remains elevated, and strong exports could cause prices to move higher before turning downward.

## Cheese Blocks



Dairy	Price	Last Week	Difference
Barrels	\$1.3663	\$1.3615	\$0.0048
40 lb. blocks	\$1.5431	\$1.5190	\$0.0241
Butter	\$2.6119	\$2.6340	(\$0.0221)
NFDM-Grade A	\$0.8550	\$0.8445	\$0.0105



**OIL & GRAINS** - Wheat markets continued to climb sharply higher in each session over the past week. Spring wheat futures were especially strong. The spring wheat crop condition as reported by the USDA declined yet again this week, from 40% good to excellent down to 37%, compared to last year's crop rated 72% good to excellent at this same time a year ago. Some pockets of protein have been found in the Kansas winter wheat harvest, but there are concerns with the milling quality of that wheat. Indications are that this year winter wheat protein will be scarce and expensive, but there is still more to come about this harvest. Oklahoma and Texas harvests are all but complete, and Kansas is 73% combined, but Nebraska and South Dakota harvests are in their early days. On June 30th, the USDA estimated the area planted to wheat as the smallest in nearly 100 years. This expected smaller supply intensifies the panic brought on by worsening drought conditions in Montana and the Dakotas. There are signs the rally is weakening, which is reassuring, but too much is unknown about both wheat crops to expect calm at this time.

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GRAINS + OILS	Price	LstWk	Diff	Price 16
Soybeans, bushel	\$9.496	\$8.865	\$0.6310	\$10.98
Crude Soybean Oil, lb.	\$0.329	\$0.312	\$0.0170	\$0.29
Corn, bushel	\$3.536	\$3.319	\$0.2170	\$3.26
Crude Corn Oil, lb.	\$0.370	\$0.370	-	\$0.39
Distillers Grain, Dry	\$106.292	\$104.458	\$1.8340	\$155.46
HRW Wheat, bushel	\$5.210	\$4.330	\$0.8800	\$3.71
DNS Wheat 14%, bushel	\$8.310	\$6.780	\$1.5300	\$5.03
Durum Wheat, bushel	\$6.836	\$6.254	\$0.5820	\$5.67



**KITCHEN SINK** - The canned tomato markets are fairly steady. The California tomato for processing harvest is underway and will build during the next several weeks. However, production is expected to be down rather substantially from 2016 which could influence the markets upward.

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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	\$1.277	\$1.228	\$0.0490	\$1.44
Sugar, lb., ICE	\$0.275	\$0.278	(\$0.0030)	\$0.28



**EURO vs.  
US Dollar**

Current: \$0.8778

Lowest Last 30 Days: \$0.8740

Highest Last 30 Days: \$0.8987



## Energy Commodities

ENERGY	Price	LstWk	Diff	Price 16
Crude Oil, barrel- ny-nymex	\$45.240	\$44.290	\$0.9500	\$46.32
Natural Gas, mbtu- ny-nymex	\$2.835	\$3.095	(\$0.2600)	\$2.74
Diesel Fuel, gal- nymex	\$1.481	\$1.427	\$0.0540	\$1.44
Electricity, mwht- ny-nymex	\$36.000	\$37.250	(\$1.2500)	\$43.00
Gasoline, gal- nymex	\$1.503	\$1.442	\$0.0610	\$1.41
Diesel Fuel, gal- eia	\$2.472	\$2.465	\$0.0070	\$2.42
Ethanol, gal- usda	\$1.470	\$1.495	(\$0.0250)	\$1.54