



Bellissimo Foods - Market Update

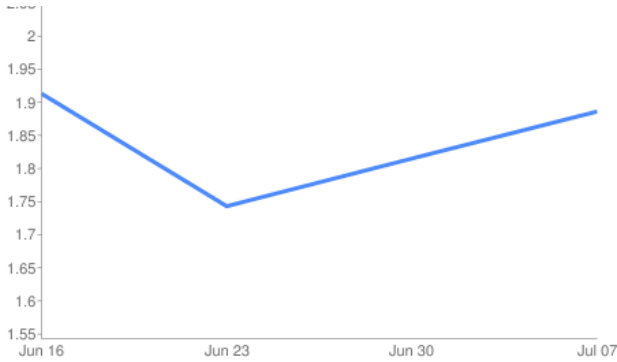
Week of July 8, 2016 Summary

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



BEEF - Beef output last week declined 1.8% but was 13.6% larger than the same week last year which included the July 4th holiday. Near slaughter ready cattle supplies have tightened some during the last week but should remain well above 2015 levels through the summer. Thus, solid year over year beef output expansion is anticipated to persist. The beef markets are moving downward with the USDA choice boxed beef cutout falling to a two-month low. History suggests there may be more downside in several of the beef markets. Last year the loin complex fell 9.6% during the next five weeks. May 31st boneless beef stocks were 6% less than last year and the second smallest for the date since 2011.

Ground Beef

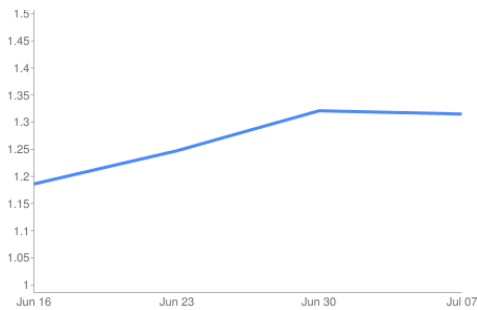


BEEF	Price	LstWk	Diff	Price 15
Ground Beef 81/19	\$1.886	\$1.815	\$0.0710	\$2.558
Ground Chuck	\$1.831	\$1.927	(\$0.0960)	\$2.609
116 Chuck (choice)	\$2.477	\$2.454	\$0.0230	\$2.946
168 Inside Round (ch.)	\$2.007	\$1.880	\$0.1270	\$2.834
184 Top Butt, bnls (ch.)	\$3.619	\$3.500	\$0.1190	\$3.922
193 Flank Steak (choice)	\$4.122	\$3.812	\$0.3100	\$6.986
50% Trimmings	\$0.898	\$0.869	\$0.0290	\$0.696
75% Trimmings	\$1.443	\$1.433	\$0.0100	\$2.021
90% Trimmings	\$2.188	\$2.186	\$0.0020	\$2.945



PORK - Pork production last week rose .6% and was 14.8% larger than the same week a year ago which included the July 4th holiday. Pork output will seasonally expand during the next several weeks at some of the strongest levels in the last seven years. This should limit the near term upside risk in several of the pork markets. May 31st total cold storage pork stocks were 6% less than 2015 due to smaller picnics (9%), hams (9%), loins (5%), butts (19%), and trim (20%) holdings. May 31st pork belly (20%) and rib (22%) inventories were larger than last year.

Belly (bacon)

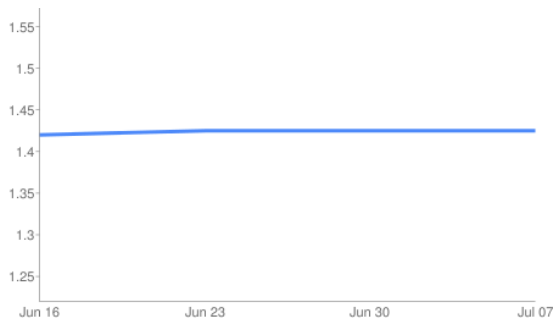


PORK	Price	LstWk	Diff	Price 15
Live Hogs	\$0.581	\$0.600	(\$0.0190)	\$0.565
Belly (bacon)	\$1.315	\$1.321	(\$0.0060)	\$1.264
Ham (23-27 lb.)	\$0.818	\$0.834	(\$0.0160)	\$0.528
Loin (bone-in)	\$0.875	\$0.892	(\$0.0170)	\$0.894
Tenderloin (1.25 lb.)	\$2.882	\$2.973	(\$0.0910)	\$2.682
Picnic, untrmd.	\$0.551	\$0.548	\$0.0030	\$0.562
42% Trimmings	\$0.323	\$0.316	\$0.0070	\$0.358
72% Trimmings	\$0.722	\$0.669	\$0.0530	\$0.663



POULTRY - Chicken production for the week ending June 25th was up 1.3% from the prior week and 3% better than the same week last year. Average bird weights were 1.3% heavier than 2015 despite the recent warm temperatures. The chicken breast and tender markets continue to firm with the ARA Boneless Skinless Chicken Breast Index climbing to an 11 month high and tenders becoming the most expensive in nearly two years. Since the beginning of the year the ARA Chicken Tender Index has risen a whopping 61% due in part to improving demand. There may be more upside to the chicken breast and tender markets in the near term especially if year over year chicken output growth is slowed this summer. Table egg prices are likely bottoming. 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)	\$1.535	\$1.523	\$0.0120	\$1.788
Breast, Bone In	\$0.955	\$0.945	\$0.0100	\$1.275
Breast, Bnless Skinless	\$1.605	\$1.610	(\$0.0050)	\$1.925
Tenderloin Index-(ARA)	\$1.949	\$1.879	\$0.0700	\$1.750
Legs (whole)	\$0.448	\$0.454	(\$0.0060)	\$0.358
Leg Quarters	\$0.335	\$0.340	(\$0.0050)	\$0.460



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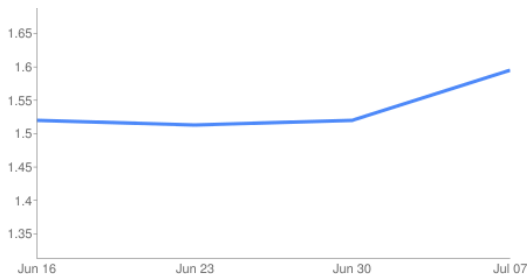
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DAIRY - The cheese markets have mostly firmed as of late as demand remains solid. However, Midwest milk output seasonal declines have been just moderate thus far which is fueling respectable cheese output. Further, cheese inventories are reported to be ample. These factors suggest that any further cheese price increases may be short-lived. The CME butter market remains fairly steady. Butter holdings are also reported to be historically large and domestic prices are trending well below the corresponding international markets. The upside is likely limited in butter prices as well. Prices per pound, except Class I Cream (hundred weight), from USDA.

Cheese Blocks



DAIRY	Price	Last Week	Difference
Barrels	\$1.6875	\$1.6285	\$0.0590
40 lb. blocks	\$1.6013	\$1.5830	\$0.0183
Butter	\$2.2969	\$2.3340	(\$0.0371)
NFDM-Grade A	\$0.8831	\$0.8755	\$0.0076



OIL & GRAINS - Wheat futures fell further this week as the markets switched to trading September as the nearby. The continuing drop in futures was partly due to harvest pressure as the U.S. winter wheat harvest passed the mid-point, continuing to deliver great yields and low protein. Recent USDA

acreage estimates were larger than expected, but still limited to levels so low they were last seen in the 1970s. Supplies of low protein winter wheat flour could move into animal feed channels if prices stay low enough. It seems unlikely at this point that wheat prices will find substantial or lasting support. Flour prices are well below where they were at this time last year.

GRAINS + OILS	Price	LstWk	Diff	Price 15
Soybeans, bushel	\$10.981	\$11.384	(\$0.4030)	\$9.98
Crude Soybean Oil, lb.	\$0.292	\$0.295	(\$0.0030)	\$0.31
Corn, bushel	\$3.258	\$3.654	(\$0.3960)	\$3.98
Crude Corn Oil, lb.	\$0.389	\$0.396	(\$0.0070)	\$0.41
Distillers Grain, Dry	\$155.458	\$159.750	(\$4.2920)	\$140.06
HRW Wheat, bushel	\$3.710	\$3.830	(\$0.1200)	\$5.88
DNS Wheat 14%, bushel	\$5.030	\$5.060	(\$0.0300)	\$6.38
Durum Wheat, bushel	\$5.670	\$5.975	(\$0.3050)	\$7.45



KITCHEN SINK - The chief California tomato for processing harvest is underway. The state typically accounts for 96% of the domestic tomato for processing supply. The canned tomato

markets should remain below 2015 levels this summer.

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	\$1.442	\$1.428	\$0.0140	\$1.25
Sugar, lb., ICE	\$0.281	\$0.280	\$0.0010	\$0.25



EURO vs. US Dollar

Current: \$0.9046

Lowest Last 30 Days: \$0.8754

Highest Last 30 Days: \$0.9154



Energy Commodities

ENERGY	Price	LstWk	Diff	Price 15
Crude Oil, barrel- nymex	\$46.320	\$48.200	(\$1.8800)	\$52.74
Natural Gas, mbtu- nymex	\$2.740	\$2.928	(\$0.1880)	\$2.73
Diesel Fuel, gal- nymex	\$1.440	\$1.501	(\$0.0610)	\$1.72
Electricity, mwht- nymex	\$43.000	\$44.300	(\$1.3000)	\$43.05
Gasoline, gal- nymex	\$1.410	\$1.518	(\$0.1080)	\$2.73
Diesel Fuel, gal- eia	\$2.423	\$2.426	(\$0.0030)	\$2.83