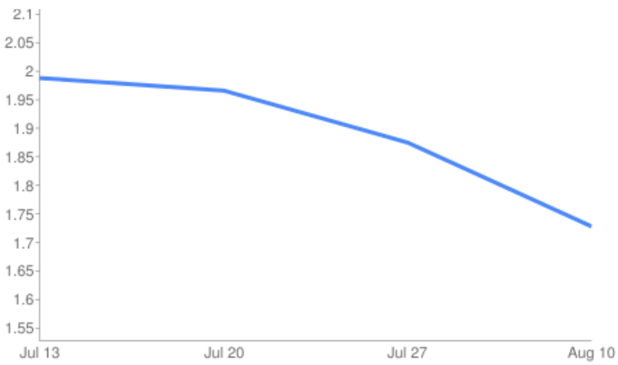
Bellissimo Foods - Market Update
Week Ended August 11, 2017 Summary

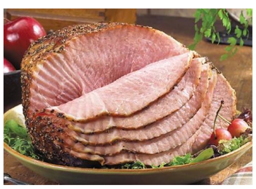
"Market Data from Foodservice.com (www.foodservice.com)"

BEEF - Beef production last week rose 1.4% and was 6.8% larger than the same week last year. Cattle slaughter was the fourth biggest since the fall of 2013. Near slaughter ready cattle supplies are expected to remain adequate to ample during the next few weeks which should fuel solid output. However, there are concerns that the near slaughter ready cattle supply could tighten later this fall. The July 1st cattle on feed inventory was 4.4% bigger than 2016 with placements into feedlots during June up 16.1% year-on-year. The total July 1st cattle herd was the biggest for the date since 2008 but a smaller beef replacement heifer herd suggests herd growth is slowing. Beef prices may find support soon

Ground Beef

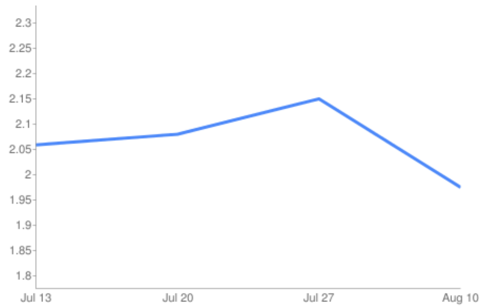


BEEF	Price	LstWk	Diff	Price 16
Ground Beef 81/19	$1.728	$1.874	($0.1460)	$1.562
Ground Chuck	$1.915	$1.976	($0.0610)	$1.867
116 Chuck (choice)	$2.445	$2.491	($0.0460)	$2.434
168 Inside Round (ch.)	$2.213	$2.284	($0.0710)	$2.112
184 Top Butt, bnls (prime)	$4.123	$4.108	$0.0150	$3.959
193 Flank Steak (choice)	$4.501	$4.644	($0.1430)	$4.048
50% Trimmings	$0.849	$0.895	($0.0460)	$0.677
75% Trimmings	$1.886	$1.911	($0.0250)	$1.522
90% Trimmings	$2.353	$2.343	$0.0100	$2.170



PORK - Pork output last week rose .5% and was 2.1% larger than the same week last year. Hog slaughter reached a six-week high. Tight inventories have tempered the seasonal downside in the belly markets. June 30th pork belly holdings were down 65% from the prior year and a record low for the month. Still, history indicates that the greater price risk in bellies from here is lower. June 30th total pork (4%), picnic (3%), and trim (5%) stocks were also below 2016 while ham (8%), loin (5%), ribs (1%), and butts (14%) inventories were bigger. Lower pork prices usually occur during the fall.

Belly (bacon)



PORK	Price	LstWk	Diff	Price 16
Live Hogs	$0.590	$0.599	($0.0090)	$0.467
Belly (bacon)	$1.975	$2.097	($0.1220)	$0.965
Ham (23-27 lb.)	$0.674	$0.690	($0.0160)	$0.642
Loin (bone-in)	$0.856	$0.874	($0.0180)	$0.797
Tenderloin (1.25 lb.)	$2.515	$2.491	$0.0240	$2.285
Picnic, untrmd.	$0.605	$0.657	($0.0520)	$0.586
42% Trimmings	$0.650	$0.666	($0.0160)	$0.613

POULTRY - For the week ending July 29th, chicken production rose 1.1% from the prior week and was 1.4% larger than the same week in 2016. The six-week moving average for chicken output is tracking just 1.5% above the previous year. The June broiler type chick hatch was 2% better than last year which, if accompanied with heavier bird weights, could signal a boost in year-over-year chicken output gains in the coming weeks. Longer term, chicken producers appear to be in expansion mode with the July 1st broiler laying flock up 3.3% compared to a year ago and the largest since the spring of 2010. The chicken wing markets are firm and history suggests they could remain so during the next few weeks. Chicken breast prices may find support shortly.

Wings Jumbo Cut

POULTRY	Price	LstWk	Diff	Price 16
Wings (jumbo, cut)	$2.077	$2.055	$0.0220	$1.529
Wing Index- (ARA)	$2.109	$2.074	$0.0350	$1.554
Breast, Bnless Index (ARA)	$1.441	$1.455	($0.0140)	$1.348
Tenderloin Index- (ARA)	$2.084	$2.022	$0.0620	$2.007
Legs (whole)	$0.522	$0.528	($0.0060)	$0.425
Leg Qtr Index (ARA)	$0.406	$0.403	$0.0030	$0.298
Thighs, bone in	$0.791	$0.726	$0.0650	$0.600

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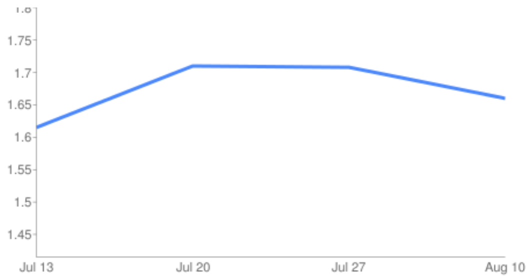
DAIRY - Milk output expansion continues in the U.S. with production during June up 1.6% compared to 2016. Milk per cow yields during the month rose .7% from the prior year, while the size of the herd was bigger by .9% and the largest in two decades. Milk farmers added a net 4,000 head to the herd during the month. Milk output in California during June was down 2.1% year-on-year while Wisconsin was up just .2%. June butter production fell 4.8% from last year, while cheese output was higher by 3.2%. The cheese and butter markets usually remain firm in the near term.

Cheese Blocks



Dairy	Price	Last Week	Difference
Barrels	$1.5550	$1.5730	($0.0180)
40 lb. blocks	$1.6935	$2.7420	($1.0485)
Butter	$2.6680	$2.7100	($0.0420)
NFDM-Grade A	$0.8500	$0.8640	($0.0140)

OIL & GRAINS - Spring wheat futures prices are a bit higher so far this week, high protein basis premium prices have fallen. There will be no shortage of high protein spring wheat this season. The spring wheat harvest has been moving quickly through drought stricken areas in the Western portion of the growing area. Harvest saw some delays from rain, but a much improved crop moving east. Winter wheat futures fell slightly, basis premium prices are mostly firm. The winter wheat harvest is all but wrapped up. The USDA is expected to lower their spring wheat production forecast in tomorrow's August Crop Production report. Prices have fallen fairly steadily since early July. If tomorrow's report surprises the market with a larger than expected drop in spring wheat production this trend could quickly reverse.

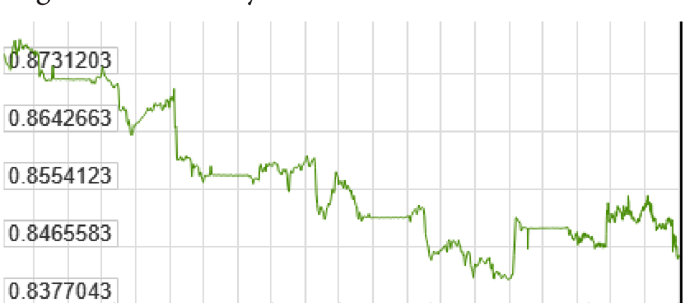
GRAINS + OILS	Price	LstWk	Diff	Price 16
Soybeans, bushel	$9.518	$9.411	$0.1070	$10.10
Crude Soybean Oil, lb.	$0.331	$0.332	($0.0010)	$0.30
Corn, bushel	$3.369	$3.269	$0.1000	$3.04
Crude Corn Oil, lb.	$0.368	$0.370	($0.0020)	$0.39
Distillers Grain, Dry	$111.292	$112.563	($1.2710)	$127.52
HRW Wheat, bushel	$4.105	$4.153	($0.0480)	$3.53
DNS Wheat 14%, bushel	$7.363	$7.230	$0.1330	$4.98
Durum Wheat, bushel	$8.026	$8.263	($0.2370)	$5.29

KITCHEN SINK - The California tomato for processing harvest is progressing, but slowly. Total tonnage through the last week of July was just over 1.8 million tons, the smallest total for the date in the last 15 years. A smaller harvest this year is expected to support canned tomato prices this fall.

Kitchen	Price	LstWk	Diff	Price 16
Whole Peeled, Stand (6/10)	$12.249	$12.249	-	$12.15
Tomato Paste- Industrial (lb.)	$0.454	$0.454	-	$0.45
Coffee, lb., ICE	$1.428	$1.404	$0.0240	$1.41
Sugar, lb., ICE	$0.250	$0.250	-	$0.29

EURO vs. US Dollar

Current: $0.8449
Lowest Last 30 Days: $0.8414
Highest Last 30 Days: $0.8778



Energy Commodities

ENERGY	Price	LstWk	Diff	Price 16
Crude Oil, barrel- nymex	$49.250	$49.280	($0.0300)	$42.59
Natural Gas, mbtu- nymex	$2.886	$2.808	$0.0780	$2.64
Diesel Fuel, gal- nymex	$1.635	$1.652	($0.0170)	$1.34
Electricity, mwht- nymex	$31.890	$32.200	($0.3100)	$33.11
Gasoline, gal- nymex	$1.615	$1.662	($0.0470)	$1.35
Diesel Fuel, gal- eia	$2.581	$2.531	$0.0500	$2.32
Ethanol, gal- usda	$1.508	$1.502	$0.0060	$1.30