



Bellissimo Foods - Market Update

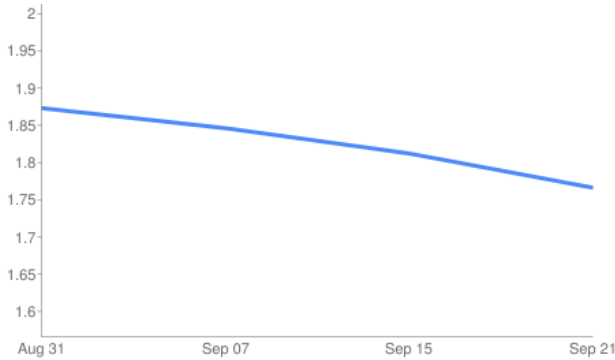
Week Ended September 22, 2017 Summary

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



BEEF - Beef production last week rose 15.9% from the prior holiday shortened week and was 3% larger than the same week last year. Total cattle slaughter was the second biggest since the summer of 2013. Cattle supplies are expected to remain at least adequate in the near term, but are likely to tighten later this fall. Retail beef prices in August were down .7% from the previous month, but up .8% year-on-year. Ground beef prices were up 2.1% from 2016, while sirloin steak was down 15.1%. Low wholesale beef prices are encouraging retailers to feature beef during the fall. This could be supportive of various beef markets, including ribeyes, as the holiday season nears.

Ground Beef

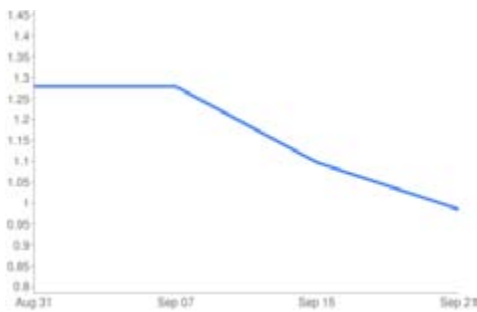


BEEF	Price	LstWk	Diff	Price 16
Ground Beef 81/19	\$1.766	\$1.812	(\$0.0460)	\$1.523
Ground Chuck	\$1.861	\$1.884	(\$0.0230)	\$1.644
116 Chuck (choice)	\$3.102	\$2.897	\$0.2050	\$2.613
168 Inside Round (ch.)	\$1.941	\$1.901	\$0.0400	\$1.914
184 Top Butt, bnls (ch.)	\$2.590	\$2.850	(\$0.2600)	\$3.138
193 Flank Steak (choice)	\$4.139	\$4.158	(\$0.0190)	\$4.123
50% Trimmings	\$0.438	\$0.433	\$0.0050	\$0.431
75% Trimmings	\$1.824	\$1.811	\$0.0130	\$1.588
90% Trimmings	\$2.193	\$2.251	(\$0.0580)	\$2.067



PORK - Pork output last week rose 12.3% from the previous Labor Day shortened week, and was 2% better than the same week last year. Hog slaughter was the largest in nine months and only expected to build in the coming weeks. Hog weights have been trending above year ago levels, which only affirms expectations of better slaughter in the near term. Retail pork prices in August rose 1.4% from the prior month, and were the highest in nearly three years. Retail bacon prices are a record. Wholesale belly prices could remain low this fall.

Belly (bacon)

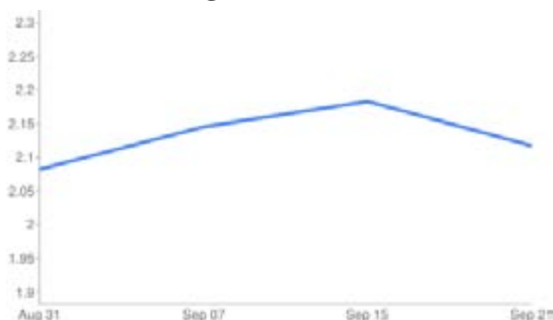


PORK	Price	LstWk	Diff	Price 16
Live Hogs	\$0.389	\$0.432	(\$0.0430)	\$0.399
Belly (bacon)	\$0.985	\$1.097	(\$0.1120)	\$1.006
Ham (23-27 lb.)	\$0.627	\$0.717	(\$0.0900)	\$0.655
Loin (bone-in)	\$0.796	\$0.806	(\$0.0100)	\$0.894
Tenderloin (1.25 lb.)	\$2.347	\$2.258	\$0.0890	\$2.187
Picnic, untrmd.	\$0.606	\$0.564	\$0.0420	\$0.539
42% Trimmings	\$0.320	\$0.350	(\$0.0300)	\$0.311



POULTRY - For the holiday shortened week of September 9th, chicken production fell 8.6% from the prior week, but was 5.7% larger than the same week a year ago. The six-week total of chicken output was 1.1% better than 2016. The USDA is estimating Q3 chicken production at just .1% more than 2016. Margins for chicken producers remain some of their best for this time of the year in a decade. This should inspire producers to intensify year-over-year gains in output this fall. Recent chick placement data suggests that the six-week moving average is trending 2.8% above 2016. The weekly ARA Chicken Wing Index set a record high last week. Better year-over-year chicken production growth is needed to push wing prices lower.

Wings Jumbo Cut



POULTRY	Price	LstWk	Diff	Price 16
Wings (jumbo, cut)	\$2.117	\$2.183	(\$0.0660)	\$1.800
Wing Index- (ARA)	\$2.157	\$2.181	(\$0.0240)	\$1.808
Breast, Bnless Index (ARA)	\$1.293	\$1.350	(\$0.0570)	\$1.293
Tenderloin Index- (ARA)	\$1.742	\$1.831	(\$0.0890)	\$2.070
Legs (whole)	\$0.483	\$0.564	(\$0.0810)	\$0.494
Leg Qtr Index (ARA)	\$0.388	\$0.393	(\$0.0050)	\$0.306
Thighs, bone in	\$0.743	\$0.755	(\$0.0120)	\$0.591



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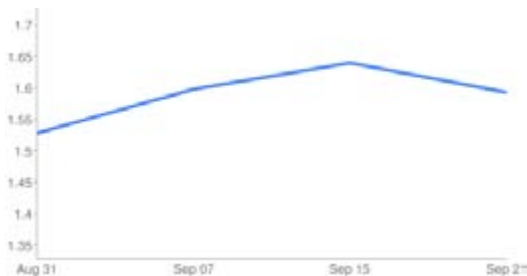
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DAIRY - Butter prices remain relatively inflated. This is due in a large part to deflated nonfat dry milk prices tempering the class IV milk markets and butter production. CME butter remains at a significant discount to the international markets which is encouraging exports. Further, butter demand should seasonally build domestically during the next few months. Thus, the greater risk in the butter market in the near term is likely to the upside. CME cheese continues to price below the international markets. The downside in cheese prices from here is likely only modest.

Cheese Blocks



Dairy	Price	Last Week	Difference
Barrels	\$1.5140	\$1.5120	\$0.0020
40 lb. blocks	\$1.5985	\$1.6240	(\$0.0255)
Butter	\$2.4645	\$2.4240	\$0.0405
NFDM-Grade A	\$0.8240	\$0.8245	(\$0.0005)



OIL & GRAINS - Spring wheat futures continued to slowly chop lower this week, while winter wheat futures are slightly higher. Basis premium prices are firm overall as producers and elevators are concentrating on row crop harvest. Recent USDA forecasts pegging hard red winter wheat carryover down 22%, and hard red spring wheat down 38% chipped away at one input that has kept wheat and flour prices low over the past few years. Early indications are that farmers don't intend to increase wheat planting this fall. Montana has received some much-needed rain at last; hopes are this will help their winter wheat crop. Wheat and flour prices overall have fallen steadily since early July's peak. Prices feel supported at these levels; news of crop issues in other wheat-growing countries could support higher prices.

GRAINS + OILS	Price	LstWk	Diff	Price 16
Soybeans, bushel	\$9.293	\$9.213	\$0.0800	\$9.81
Crude Soybean Oil, lb.	\$0.335	\$0.342	(\$0.0070)	\$0.33
Corn, bushel	\$3.021	\$3.138	(\$0.1170)	\$3.04
Crude Corn Oil, lb.	\$0.368	\$0.368	-	\$0.38
Distillers Grain, Dry	\$111.042	\$110.021	\$1.0210	\$119.44
HRW Wheat, bushel	\$3.740	\$3.738	\$0.0020	\$3.38
DNS Wheat 14%, bushel	\$6.173	\$6.418	(\$0.2450)	\$4.91
Durum Wheat, bushel	\$6.472	\$6.500	(\$0.0280)	\$5.00



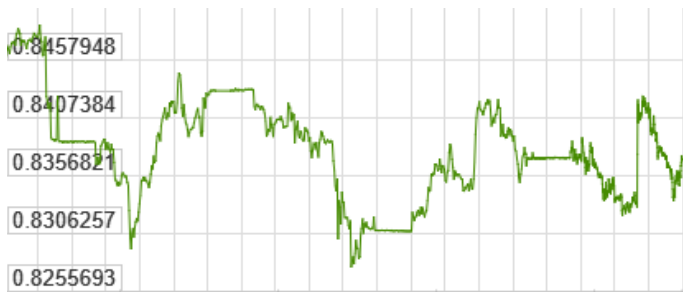
KITCHEN SINK - The chief California tomato for processing harvest will wind down during the next six weeks. The slower harvest, along with an expected decline in output, could cause the canned tomato markets to track above the prior year levels during the next several months.

Kitchen	Price	LstWk	Diff	Price 16
Whole Peeled, Stand (6/10)	\$12.139	\$12.139	-	\$11.99
Tomato Paste- Industrial (lb.)	\$0.451	\$0.451	-	\$0.44
Coffee, lb., ICE	\$1.340	\$1.338	\$0.0020	\$1.56
Sugar, lb., ICE	\$0.271	\$0.272	(\$0.0010)	\$0.27



EURO vs. US Dollar

Current: \$0.8370
 Lowest Last 30 Days: \$0.8276
 Highest Last 30 Days: \$0.8487



Energy Commodities

ENERGY	Price	LstWk	Diff	Price 16
Crude Oil, barrel- ny-nex	\$50.390	\$48.680	\$1.7100	\$44.84
Natural Gas, mbtu- ny-nex	\$3.124	\$3.057	\$0.0670	\$3.13
Diesel Fuel, gal- nymex	\$1.774	\$1.749	\$0.0250	\$1.43
Electricity, mwht- ny-nex	\$32.310	\$31.670	\$0.6400	\$35.08
Gasoline, gal- nymex	\$1.610	\$1.661	(\$0.0510)	\$1.35
Diesel Fuel, gal- eia	\$2.786	\$2.802	(\$0.0160)	\$2.39
Ethanol, gal- usda	\$1.557	\$1.508	\$0.0490	\$1.48