



# Bellissimo Foods - Market Update

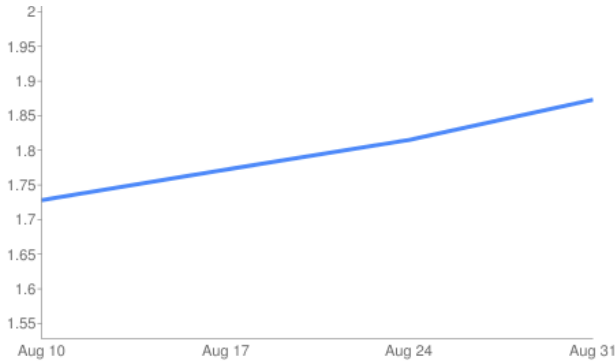
## Week Ended September 8, 2017 Summary

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



**BEEF** - Beef production last week declined 2.4% from the previous week and was just .1% larger than the same week last year. This was due in a large part to packers tempering output because of slow demand out of the Houston, Texas area. Beef production will be shortened this week as well due to the holiday. This could bring support to beef prices in the near term. Further, the existing low wholesale prices are encouraging some retail future activity. Beef forward sales for delivery 22-90 days out last week reached a six-week high, with ground beef sales the biggest since April. That said, the seasonal tendency in many of the markets is lower during September, which could take hold soon.

### Ground Beef

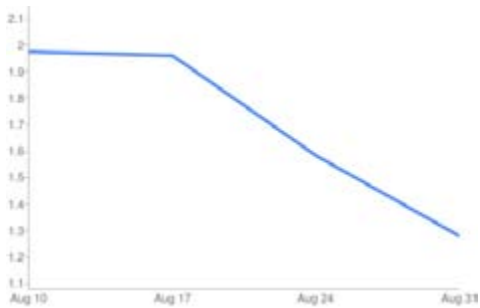


BEEF	Price	LstWk	Diff	Price 16
Ground Beef 81/19	\$1.846	\$1.873	(\$0.0270)	\$1.616
Ground Chuck	\$2.132	\$1.967	\$0.1650	\$1.907
116 Chuck (select)	\$2.664	\$2.597	\$0.0670	\$2.344
168 Inside Round (ch.)	\$1.993	\$1.990	\$0.0030	\$1.889
184 Top Butt, bnls (ch.)	\$2.558	\$3.013	(\$0.4550)	\$3.441
193 Flank Steak (choice)	\$4.223	\$4.231	(\$0.0080)	\$4.235
50% Trimmings	\$0.494	\$0.580	(\$0.0860)	\$0.426
75% Trimmings	\$1.939	\$1.939	-	\$1.577
90% Trimmings	\$2.302	\$2.295	\$0.0070	\$2.124



**PORK** -Pork output last week declined 1.2% from the previous week, but was up 2.3% compared to the same week a year ago. Hog supplies are expected to seasonally improve during the next few months, which should fuel strong pork production. The USDA is forecasting Q4 2017 pork output to expand from Q3 by the largest volume in over a decade. This should generally put a lower bias on the pork markets this fall. The downside in the ham markets between now and mid-October may be minimal, however, as processors seeks supplies for the holidays.

### Belly (bacon)

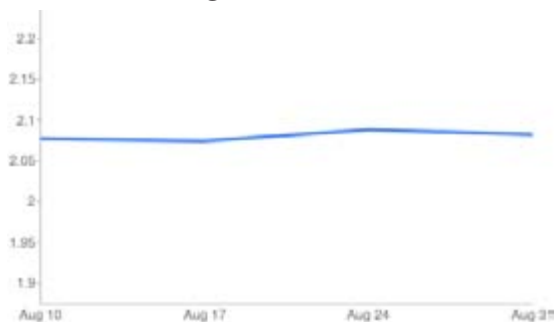


PORK	Price	LstWk	Diff	Price 16
Live Hogs	\$0.462	\$0.492	(\$0.0300)	\$0.433
Belly (bacon)	\$1.279	\$1.279	-	\$0.842
Ham (23-27 lb.)	\$0.723	\$0.709	\$0.0140	\$0.787
Loin (bone-in)	\$0.823	\$0.833	(\$0.0100)	\$0.846
Tenderloin (1.25 lb.)	\$2.412	\$2.488	(\$0.0760)	\$2.240
Picnic, untrmd.	\$0.570	\$0.576	(\$0.0060)	\$0.531
42% Trimmings	\$0.365	\$0.349	\$0.0160	\$0.363



**POULTRY** - Chicken production for the week ending August 26th fell 1.8% from the prior week and was 1.6% less than the same week a year ago. The six-week moving average for chick placements stands at 2.7% above 2016. This suggests that, along with heavier bird weights, chicken output could track 3% plus above year-ago levels during the next month or so. Some of the best late summer margins for chicken producers in the last decade add fuel to better year-over-year chicken production gains this fall and into 2018. The August 1st broiler layer flock was 4.7% larger than the prior year, which also points to stronger chicken production expansion next year. If better chicken output gains materialize, it could put downward pressure on the wing markets.

### Wings Jumbo Cut



POULTRY	Price	LstWk	Diff	Price 16
Wings (jumbo, cut)	\$2.145	\$2.082	\$0.0630	\$1.667
Wing Index- (ARA)	\$2.138	\$2.110	\$0.0280	\$1.665
Breast, Bnless Index (ARA)	\$1.395	\$1.405	(\$0.0100)	\$1.448
Tenderloin Index- (ARA)	\$1.898	\$1.949	(\$0.0510)	\$2.124
Legs (whole)	\$0.519	\$0.532	(\$0.0130)	\$0.451
Leg Qtr Index (ARA)	\$0.396	\$0.409	(\$0.0130)	\$0.306
Thighs, bone in	\$0.789	\$0.797	(\$0.0080)	\$0.612



# Bellissimo Foods - Market Update

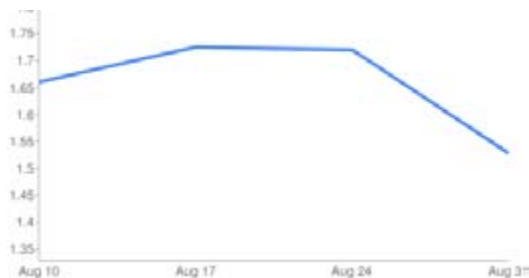
## Week Ended September 8, 2017 Summary

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



**DAIRY** - The CME butter market has moved counter-seasonally downward during the last week, reaching levels not seen since June. Milk and butter production in the Midwest have been better than expected as of late due to cooler temperatures in the region. However, CME butter continues to be priced well below the international markets, and export interest is building. This could temper the downside in butter prices into the fall. The CME cheese markets have found some modest support as of late. But like butter, cheese export interest is on the rise, which could support domestic prices.

### Cheese Blocks



Dairy	Price	Last Week	Difference
Barrels	\$1.5569	\$1.4995	\$0.0574
40 lb. blocks	\$1.6300	\$1.5325	\$0.0975
Butter	\$2.4575	\$2.5660	(\$0.1085)
NFDM-Grade A	\$0.8438	\$0.8550	(\$0.0113)



**OIL & GRAINS** - The hard-red spring and durum wheat harvests in the U.S. are entering their final stages, which is putting downward pressure on prices. Still, hard red spring and durum wheat supplies are expected to be historically limited for the 2017-18 season due to the shortened output. Higher wheat prices may be impending

to the shortened output. Higher wheat prices may be impending

GRAINS + OILS	Price	LstWk	Diff	Price 16
Soybeans, bushel	\$9.434	\$9.200	\$0.2340	\$9.72
Crude Soybean Oil, lb.	\$0.344	\$0.335	\$0.0090	\$0.32
Corn, bushel	\$3.193	\$3.044	\$0.1490	\$2.91
Crude Corn Oil, lb.	\$0.368	\$0.368	-	\$0.38
Distillers Grain, Dry	\$109.167	\$109.708	(\$0.5410)	\$121.33
HRW Wheat, bushel	\$3.645	\$3.473	\$0.1720	\$3.28
DNS Wheat 14%, bushel	\$6.290	\$6.603	(\$0.3130)	\$4.91
Durum Wheat, bushel	\$6.498	\$6.621	(\$0.1230)	\$5.00



**KITCHEN SINK** - Orange juice futures rose sharply early this week due to concerns around potential crop damage from pending Hurricane Irma.

This could keep orange juice futures especially volatile in the near term. If no damage occurs, prices are likely to head sharply downward thereafter.

Kitchen	Price	LstWk	Diff	Price 16
Whole Peeled, Stand (6/10)	\$12.133	\$12.133	-	\$11.95
Tomato Paste- Industrial (lb.)	\$0.449	\$0.449	-	\$0.44
Coffee, lb., ICE	\$1.265	\$1.273	(\$0.0080)	\$1.53
Sugar, lb., ICE	\$0.262	\$0.253	\$0.0090	\$0.28



### EURO vs. US Dollar

Current: \$0.8307

Lowest Last 30 Days: \$0.8276

Highest Last 30 Days: \$0.8554



### Energy Commodities

ENERGY	Price	LstWk	Diff	Price 16
Crude Oil, barrel- ny-mex	\$49.380	\$45.880	\$3.5000	\$44.67
Natural Gas, mbtu- ny-mex	\$3.010	\$2.935	\$0.0750	\$2.73
Diesel Fuel, gal- nymex	\$1.756	\$1.671	\$0.0850	\$1.41
Electricity, mwht- ny-mex	\$31.660	\$31.130	\$0.5300	\$33.40
Gasoline, gal- nymex	\$1.660	\$1.651	\$0.0090	\$1.32
Diesel Fuel, gal- eia	\$2.758	\$2.605	\$0.1530	\$2.41
Ethanol, gal- usda	\$1.498	\$1.513	(\$0.0150)	\$1.37