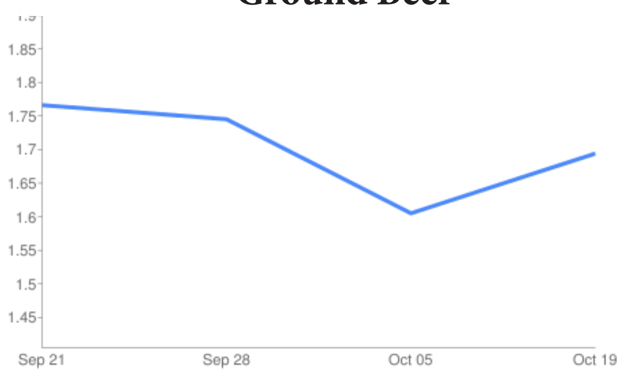
Bellissimo Foods - Market Update
Week Ended October 20, 2017 Summary

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

BEEF -Beef production last week fell 1.6% but was 1.6% larger than the same week last year. Fairly ample near slaughter ready cattle supplies are anticipated to persist over the next few months, fueling strong beef production. The USDA is forecasting Q4 2017 beef output to be 7.4% larger than the previous year. Beef demand has been lackluster as of late with the four-week totals of spot sales (16.7%) and forward sales (5.7%) down from 2016. However, low retail prices could eventually encourage beef movement and support the wholesale beef markets. Retail top sirloin prices during September were the least expensive for the month since 2013.

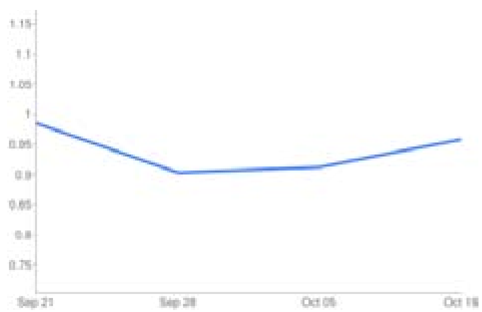
Ground Beef



BEEF	Price	LstWk	Diff	Price 16
Ground Beef 81/19	$1.694	$1.647	$0.0470	$1.536
Ground Chuck	$1.770	$1.734	$0.0360	$1.556
116 Chuck (choice)	$3.081	$3.208	($0.1270)	$3.113
168 Inside Round (ch.)	$2.005	$2.066	($0.0610)	$1.847
184 Top Butt, bnls (ch.)	$2.389	$2.338	$0.0510	$2.727
193 Flank Steak (choice)	$4.183	$4.076	$0.1070	$4.216
50% Trimmings	$0.556	$0.464	$0.0920	$0.327
75% Trimmings	$1.678	$1.750	($0.0720)	$1.364
90% Trimmings	$2.140	$2.148	($0.0080)	$1.928

PORK - Pork output last week declined 1.4% but was 9.3% larger than the same week last year when production was shortened due to Hurricane Matthew. Hog supplies remain ample but growing slaughter capacity is creating more competition for the hogs which has been supportive of prices. However, strong output is expected to temper the upside in the pork markets this fall. Retail bacon prices in September rose 2% from the prior month, were up 16.1% from last year and a record for any month. Wholesale belly prices may still move down.

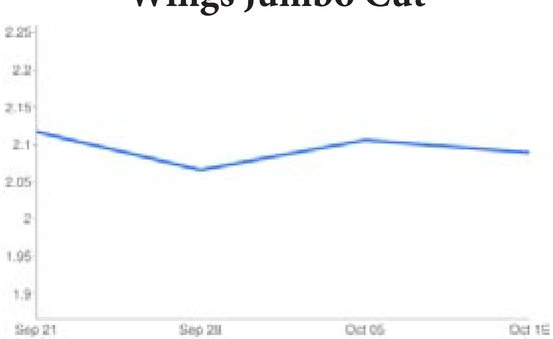
Belly (bacon)



PORK	Price	LstWk	Diff	Price 16
Live Hogs	$0.428	$0.390	$0.0380	$0.343
Belly (bacon)	$0.958	$0.929	$0.0290	$1.096
Ham (23-27 lb.)	$0.673	$0.622	$0.0510	$0.533
Loin (bone-in)	$0.735	$0.745	($0.0100)	$0.772
Tenderloin (1.25 lb.)	$2.203	$2.182	$0.0210	$2.116
Picnic, untrmd.	$0.615	$0.611	$0.0040	$0.576
42% Trimmings	$0.247	$0.254	($0.0070)	$0.241

POULTRY - For the week ending October 7th, chicken production declined 1.6% and was 1.8% less than the same week last year. However, part of the year-over-year decline was abnormally heavy chicken weights for the respective week in 2016. The six-week total of chicken output stands at 2.5% versus 2016. The USDA is forecasting solid year over year chicken output during the fall to be up 2.8%. This could temper the upside in the chicken wing markets. However, the USDA is anticipating much smaller gains in annual chicken output this winter which would be supportive of wing prices. Disappointing chicken exports are weighing on leg quarter prices. During August, U.S. chicken exports were the second lowest for the month since 2010.

Wings Jumbo Cut



POULTRY	Price	LstWk	Diff	Price 16
Wings (jumbo, cut)	$2.089	$2.035	$0.0540	$1.766
Wing Index- (ARA)	$2.104	$2.046	$0.0580	$1.808
Breast, Bnless Index (ARA)	$1.110	$1.111	($0.0010)	$1.145
Tenderloin Index- (ARA)	$1.498	$1.554	($0.0560)	$1.715
Legs (whole)	$0.404	$0.414	($0.0100)	$0.428
Leg Qtr Index (ARA)	$0.360	$0.360	-	$0.321
Thighs, bone in	$0.649	$0.517	$0.1320	$0.607

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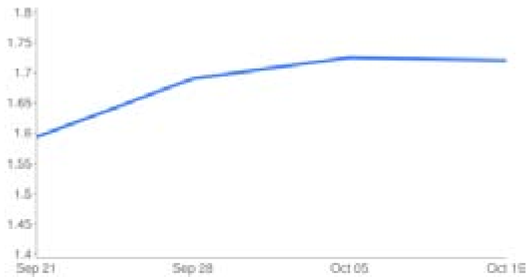
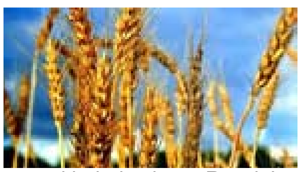
DAIRY - The CME butter market has firmed during the last week as buyers secure inventory for the pending holiday season. Butter export demand has been solid as well. During August, the U.S. exported 189% more butter than the previous year. And despite world butter prices starting to turn downward, CME prices remain attractive for exports which could limit the downside in butter prices in the near term. CME cheese prices have remained fairly resilient as of late. However, record nonfat dry milk stocks are expected to help fuel solid cheese production and supplies into 2018.

Cheese Blocks



Dairy	Price	Last Week	Difference
Barrels	$1.6670	$1.6985	($0.0315)
40 lb. blocks	$1.7090	$1.7400	($0.0310)
Butter	$2.3750	$2.3395	$0.0355
NFDM-Grade A	$0.7540	$0.7890	($0.0350)



OIL & GRAINS - Hard red spring wheat futures are lower this week; hard red winter wheat futures are nearly unchanged as we write this. Basis Premium prices for higher protein levels of both spring and winter wheat are moving higher, as futures prices are not high enough to encourage sellers to part with their wheat. Russia's massive wheat crop estimates continue to get larger, up 13% from their record crop last year. Russian exports are expected to be very large this year, making competition for export business more difficult. U.S. winter wheat planting continues to lag the five-year average, but should make good progress if the weather is clear. U.S. and world stocks of wheat are plentiful, limiting rally potential short term.

GRAINS + OILS	Price	LstWk	Diff	Price 16
Soybeans, bushel	$9.423	$9.204	$0.2190	$9.34
Crude Soybean Oil, lb.	$0.322	$0.317	$0.0050	$0.34
Corn, bushel	$3.072	$3.047	$0.0250	$3.13
Crude Corn Oil, lb.	$0.355	$0.355	-	$0.36
Distillers Grain, Dry	$115.958	$113.438	$2.5200	$109.90
HRW Wheat, bushel	$3.653	$3.633	$0.0200	$3.41
DNS Wheat 14%, bushel	$6.160	$6.225	($0.0650)	$5.32
Durum Wheat, bushel	$6.443	$6.441	$0.0020	$5.92

KITCHEN SINK - Arabica coffee futures have softened this month. Better weather for the developing Brazilian coffee crop is seen as conducive for strong crop yields next spring. Further, a weak Brazilian real is weighing heavy on coffee prices and my limit the upside this fall.

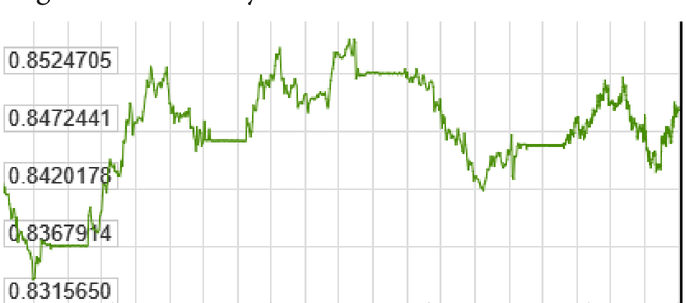
Kitchen	Price	LstWk	Diff	Price 16
Whole Peeled, Stand (6/10)	$12.065	$12.139	($0.0740)	$12.04
Tomato Paste- Industrial (lb.)	$0.447	$0.451	($0.0040)	$0.45
Coffee, lb., ICE	$1.242	$1.310	($0.0680)	$1.59
Sugar, lb., ICE	$0.270	$0.270	-	$0.29

EURO vs. US Dollar

Current: $0.8493

Lowest Last 30 Days: $0.8339

Highest Last 30 Days: $0.85524



Energy Commodities

ENERGY	Price	LstWk	Diff	Price 16
Crude Oil, barrel- nymex	$52.350	$50.980	$1.3700	$51.37
Natural Gas, mbtu- nymex	$2.914	$2.942	($0.0280)	$3.18
Diesel Fuel, gal- nymex	$1.814	$1.776	$0.0380	$1.61
Electricity, mwht- nymex	$33.000	$32.770	$0.2300	$35.42
Gasoline, gal- nymex	$1.621	$1.603	$0.0180	$1.50
Diesel Fuel, gal- eia	$2.787	$2.776	$0.0110	$2.48
Ethanol, gal- usda	$1.407	$1.442	($0.0350)	$1.53