



Bellissimo Foods - Market Update

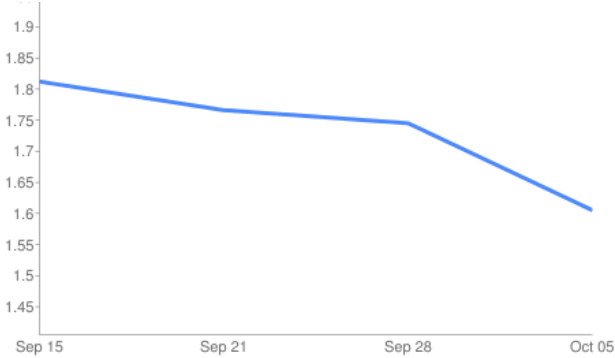
Week Ended October 6, 2017 Summary

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



BEEF - Beef production last week rose 2.1% and was 3.6% larger than the same week a year ago. Cattle slaughter was the biggest for any week in over five years. The number of cattle being slaughtered is anticipated to decline modestly in the coming weeks which eventually should be supportive of the beef markets. Retailers have been active securing ribeye supplies as of late for the pending holiday season. Consequently, ribeye prices are rising with the choice ribeye primal climbing 12% during the last two weeks. Ribeye supplies could be especially limited in the coming weeks which should bring further support to the complex. Tenderloin prices are expected to increase as well.

Ground Beef

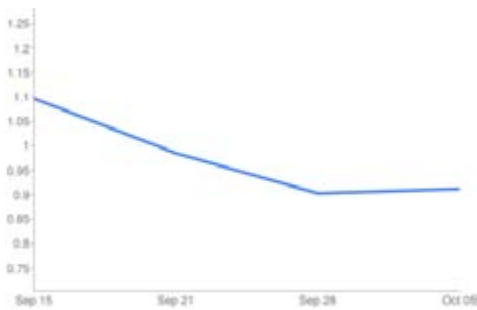


BEEF	Price	LstWk	Diff	Price 16
Ground Beef 81/19	\$1.605	\$1.745	(\$0.1400)	\$1.485
Ground Chuck	\$1.730	\$1.916	(\$0.1860)	\$1.482
116 Chuck (select)	\$3.259	\$3.198	\$0.0610	\$2.959
168 Inside Round (ch.)	\$2.075	\$2.137	(\$0.0620)	\$2.008
184 Top Butt, bnls (ch.)	\$2.352	\$2.569	(\$0.2170)	\$2.970
193 Flank Steak (choice)	\$4.138	\$4.298	(\$0.1600)	\$4.347
50% Trimmings	\$0.464	\$0.455	\$0.0090	\$0.341
75% Trimmings	\$1.750	\$1.750	-	\$1.417
90% Trimmings	\$2.217	\$2.210	\$0.0070	\$1.951



PORK - Pork output last week rose 1.7% and was 3.4% larger than the same week last year. Hog slaughter was the second best on record. Hog slaughter doesn't typically seasonally peak until December, which suggests a new record will be made soon...if not several times. Add to this that hog weights are tracking above 2016 levels, and pork supplies could remain burdensome which should weigh heavy on the markets. The September 1st domestic hog and pig inventory, according to the USDA, was 2.5% larger than the prior year.

Belly (bacon)

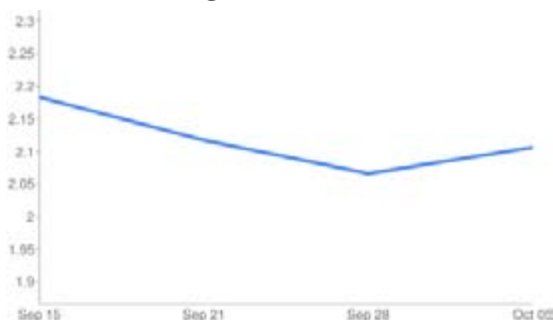


PORK	Price	LstWk	Diff	Price 16
Live Hogs	\$0.355	\$0.360	(\$0.0050)	\$0.358
Belly (bacon)	\$0.912	\$0.903	\$0.0090	\$1.083
Ham (23-27 lb.)	\$0.592	\$0.552	\$0.0400	\$0.444
Loin (bone-in)	\$0.752	\$0.771	(\$0.0190)	\$0.797
Tenderloin (1.25 lb.)	\$2.165	\$2.278	(\$0.1130)	\$2.138
Picnic, untrmd.	\$0.587	\$0.580	\$0.0070	\$0.553
42% Trimmings	\$0.289	\$0.312	(\$0.0230)	\$0.232



POULTRY - For the week ending September 23rd, chicken production rose 1.2% from the previous week and was 5.6% larger than the same week last year. This helped pressure most chicken markets lower. The ARA Boneless Skinless Chicken Breast Index last week averaged at its least expensive level for the week in six years. Further, USDA wing prices declined by the sharpest amount for the week in at least 17 years. Recent data suggests that solid year-over-year chicken output gains could persist at least into the winter. Still, chicken wing demand is anticipated to remain fairly robust during the next few months which should temper any downside in the wing markets. Additional table egg price gains are likely to occur during the fall.

Wings Jumbo Cut



POULTRY	Price	LstWk	Diff	Price 16
Wings (jumbo, cut)	\$2.106	\$2.066	\$0.0400	\$1.823
Wing Index- (ARA)	\$2.144	\$2.119	\$0.0250	\$1.837
Breast, Bnless Index (ARA)	\$1.118	\$1.206	(\$0.0880)	\$1.210
Tenderloin Index- (ARA)	\$1.554	\$1.659	(\$0.1050)	\$1.867
Legs (whole)	\$0.369	\$0.398	(\$0.0290)	\$0.463
Leg Qtr Index (ARA)	\$0.362	\$0.373	(\$0.0110)	\$0.307
Thighs, bone in	\$0.550	\$0.649	(\$0.0990)	\$0.613



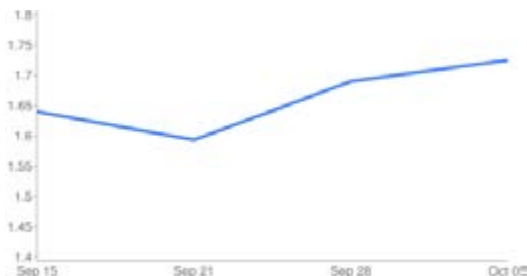
Bellissimo Foods - Market Update Week Ended October 6, 2017 Summary

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DAIRY - The CME butter market has been on the defensive as of late, declining 16% since the beginning of August to a four month plus low. August 31st domestic butter holdings were 12.1% less than the previous year but the second biggest for the month since 1993. The net drawdown in butter supplies during the month was in-line with the five-year average. Domestic butter is priced well below international product both in the spot and in CME futures, which hints the downside may be limited in butter in the near term. August cheese stocks were up 7.4% from 2016 and a record for the month.

Cheese Blocks



Dairy	Price	Last Week	Difference
Barrels	\$1.7190	\$1.7010	\$0.0180
40 lb. blocks	\$1.7430	\$1.7135	\$0.0295
Butter	\$2.3390	\$2.3920	(\$0.0530)
NFDM-Grade A	\$0.8270	\$0.8320	(\$0.0050)



OIL & GRAINS - Nearby wheat futures prices have lost about 5% to 6% of their value following last Friday's USDA report, which surprised markets by raising estimates for total wheat production and ending stocks when many expected them to fall. While the USDA still estimated hard red winter wheat production down 31% from 2016, hard red spring down 22% and durum down 47%, these levels were thought to have already been assumed. The report was viewed as bearish wheat, and the futures prices dropped. Spring wheat basis premiums are firm to higher. Hard red winter wheat basis prices have fallen steadily but slowly, as it is thought many bakers have adjusted to this crop's new normal, and supply and demand are not at odds. These levels could present a buying opportunity, as it is likely more wheat has come to market recently than we will be seeing going forward while farmers and elevators try to find storage for the late corn and soybean crops. While the large domestic carryover of wheat we had become accustomed to over the past couple of years has fallen, there is still ample wheat in the world, and competitive exporters are expected to keep prices from escalating in a dramatic way.

GRAINS + OILS	Price	LstWk	Diff	Price 16
Soybeans, bushel	\$8.910	\$9.113	(\$0.2030)	\$9.32
Crude Soybean Oil, lb.	\$0.314	\$0.317	(\$0.0030)	\$0.32
Corn, bushel	\$2.955	\$3.022	(\$0.0670)	\$3.09
Crude Corn Oil, lb.	\$0.355	\$0.368	(\$0.0130)	\$0.38
Distillers Grain, Dry	\$112.729	\$111.792	\$0.9370	\$114.56
HRW Wheat, bushel	\$3.738	\$3.843	(\$0.1050)	\$3.23
DNS Wheat 14%, bushel	\$6.173	\$6.460	(\$0.2870)	\$5.27
Durum Wheat, bushel	\$6.477	\$6.516	(\$0.0390)	\$5.50



KITCHEN SINK - The California tomato for processing harvest will be winding down during the next few weeks with output expected to be near 8% below the previous year. The canned tomato

markets could firm during the next few months remaining above prior year levels.

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	\$1.255	\$1.323	(\$0.0680)	\$1.48
Sugar, lb., ICE	\$0.271	\$0.271	-	\$0.28



**EURO vs.
US Dollar**

Current: \$0.8528

Lowest Last 30 Days: \$0.8276

Highest Last 30 Days: \$0.85524



Energy Commodities

ENERGY	Price	LstWk	Diff	Price 16
Crude Oil, barrel- ny-mex	\$50.470	\$52.000	(\$1.5300)	\$49.62
Natural Gas, mbtu- ny-mex	\$2.948	\$3.068	(\$0.1200)	\$2.93
Diesel Fuel, gal- nymex	\$1.763	\$1.834	(\$0.0710)	\$1.58
Electricity, mwht- ny-mex	\$31.890	\$32.950	(\$1.0600)	\$34.48
Gasoline, gal- nymex	\$1.582	\$1.622	(\$0.0400)	\$1.51
Diesel Fuel, gal- eia	\$2.792	\$2.788	\$0.0040	\$2.39
Ethanol, gal- usda	\$1.502	\$1.535	(\$0.0330)	\$1.52