



# Bellissimo Foods - Market Update

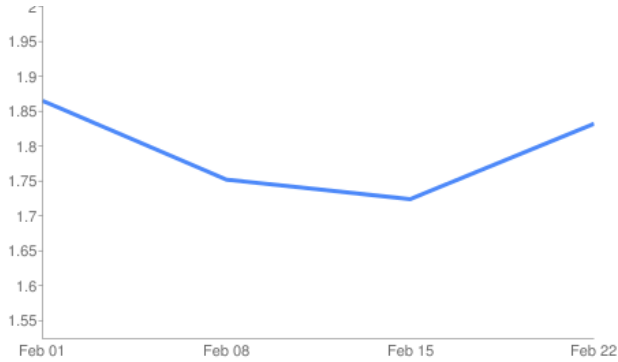
## Week Ended February 23, 2018 Summary

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



**BEEF** - Beef production last week increased .7% and was 4.3% more than the same week last year. The USDA is forecasting spring beef output to be 12% larger than the previous year which should temper typical price gains seen during grilling season. Most beef markets are above year ago levels which has tempered demand, with spot sales last week the smallest for any non-holiday week since May. But, forward sales of beef grinds for delivery 22-90 days were the best since early December. Retailers are now featuring beef. In January, retail beef prices were down 1.2% from December and the second cheapest for the month in four years. Low retail prices should support the wholesale markets next month.

### Ground Beef

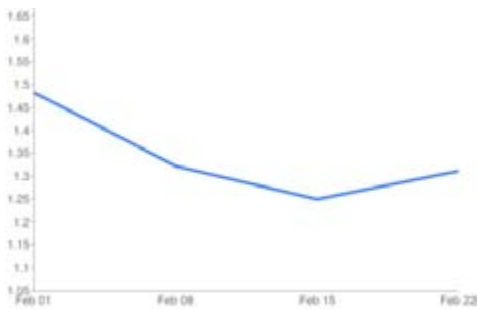


BEEF	Price	LstWk	Diff	Price 17
Ground Beef 81/19	\$1.832	\$1.724	\$0.1080	\$1.725
Ground Chuck	\$1.903	\$1.874	\$0.0290	\$1.732
116 Chuck (choice)	\$3.126	\$2.993	\$0.1330	\$2.329
168 Inside Round (ch.)	\$2.259	\$2.126	\$0.1330	\$2.004
184 Top Butt, bnls (ch.)	\$3.240	\$3.302	(\$0.0620)	\$2.806
193 Flank Steak (choice)	\$5.260	\$4.935	\$0.3250	\$4.789
50% Trimmings	\$0.853	\$0.778	\$0.0750	\$0.798
75% Trimmings	\$1.600	\$1.565	\$0.0350	\$1.416
90% Trimmings	\$2.201	\$2.140	\$0.0610	\$2.110



**PORK** - Pork output last week declined .3% but was 1.2% larger than the same week in 2017. The wholesale pork belly markets have weakened this month and are cheaper than year ago levels. During January, the average retail bacon price was up 4% from the prior year but declined 11.2% from September. Lower wholesale markets could boost bacon demand, but history hints that lower prices are likely in the near term. Since 2013, the average move for 9-13 derind pork belly prices over the next three weeks, including this week, was down 5.1%.

### Belly (bacon)

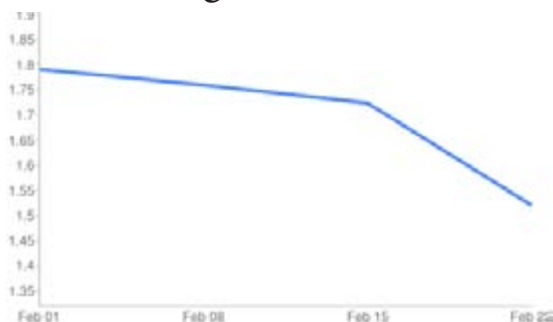


PORK	Price	LstWk	Diff	Price 17
Live Hogs	\$0.482	\$0.512	(\$0.0300)	\$0.541
Belly (bacon)	\$1.311	\$1.249	\$0.0620	\$1.778
Ham (23-27 lb.)	\$0.615	\$0.588	\$0.0270	\$0.554
Loin (bone-in)	\$0.746	\$0.734	\$0.0120	\$0.760
Tenderloin (1.25 lb.)	\$2.103	\$2.099	\$0.0040	\$2.167
Picnic, untrmd.	\$0.527	\$0.534	(\$0.0070)	\$0.457
42% Trimmings	\$0.267	\$0.286	(\$0.0190)	\$0.325



**POULTRY** - For the week ending February 10th, chicken production was 2.3% lower than the prior week but 1.2% better than the same week last year. The six-week moving average for chick placements was 1.4% stronger than 2017. Modest chicken output growth is expected in the coming weeks. Several chicken markets are finding support. Last week the ARA Chicken Tender Index rose to its highest level since September, experiencing its strongest increase for the week since 2004. Additional chicken tender price rises are possible. Typically, the ARA Chicken Tender Index moves up 27.9% over the next 13 weeks. Chicken breast prices usually firm now through May. Seasonal chicken wing price declines often slowdown during early March.

### Wings Jumbo Cut



POULTRY	Price	LstWk	Diff	Price 17
Wings (jumbo, cut)	\$1.520	\$1.723	(\$0.2030)	\$1.821
Wing Index- (ARA)	\$1.629	\$1.760	(\$0.1310)	\$1.868
Breast, Bnless Index (ARA)	\$1.059	\$1.055	\$0.0040	\$1.117
Tenderloin Index- (ARA)	\$1.793	\$1.769	\$0.0240	\$1.656
Legs (whole)	\$0.504	\$0.523	(\$0.0190)	\$0.391
Leg Qtr Index (ARA)	\$0.386	\$0.356	\$0.0300	\$0.294
Thighs, bone in	\$0.609	\$0.605	\$0.0040	\$0.570



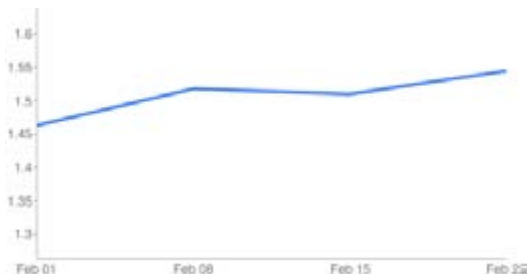
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“Market Data from Foodservice.com (www.foodservice.com)”



**DAIRY** - The cheese markets have firmed during the last week due in part to improving demand, including exports. U.S. cheese exports in December were down 4.4% from the previous year, but U.S. cheese is currently more competitively priced on the world stage. U.S. milk output has been solid as of late due in a large part to warmer temperatures. Consequently, milk is trading below government class which is not normal for the dead of winter. This should encourage cheese output and temper the upside for cheese prices. The butter market may have formed a bottom.

## Cheese Blocks



DAIRY	Price	Last Week	Difference
Barrels	\$1.4794	\$1.4025	\$0.0769
40 lb. blocks	\$1.5288	\$1.5175	\$0.0113
Butter	\$2.1656	\$2.0955	\$0.0701
NFDM-Grade A	\$0.6781	\$0.7255	(\$0.0474)



**OIL & GRAINS** - Wheat futures prices have moved lower since our communication last week. Spring wheat basis premiums are higher, especially for higher protein grades. Winter wheat basis fell as volume sold on the spot market was ample. Drought conditions continue to dominate discussion of this year's U.S. hard red winter wheat crop. Warmer temps are expected to melt what little snow cover there is leaving the crop exposed to possibly damaging colder temperatures. Less than normal precipitation across northern states where the hard red spring wheat crop will be planted in the coming months is beginning to cause concern. Drought conditions in the last growing season resulted in some already subpar subsoil moisture levels. Unless we see a shift in these dry weather patterns the coming weather market could lead to a very volatile period for wheat markets.

GRAINS + OILS	Price	LstWk	Diff	Price 17
Soybeans, bushel	\$9.987	\$9.846	\$0.1410	\$9.92
Crude Soybean Oil, lb.	\$0.302	\$0.300	\$0.0020	\$0.31
Corn, bushel	\$3.473	\$3.488	(\$0.0150)	\$3.43
Crude Corn Oil, lb.	\$0.314	\$0.302	\$0.0120	\$0.39
Distillers Grain, Dry	\$153.146	\$152.208	\$0.9380	\$101.77
HRW Wheat, bushel	\$4.668	\$4.695	(\$0.0270)	\$4.07
DNS Wheat 14%, bushel	\$6.175	\$6.168	\$0.0070	\$5.59
Durum Wheat, bushel	\$6.008	\$6.053	(\$0.0450)	\$5.68



**KITCHEN SINK** - International sugar prices have declined in recent months which has put downward pressure on the domestic market. World sugar supplies should remain adequate which

could limit the upside in the U.S. markets for the next several months.

Kitchen	Price	LstWk	Diff	Price 17
Whole Peeled, Stand (6/10)	\$12.625	\$12.528	\$0.0970	\$12.16
Tomato Paste- Industrial (lb.)	\$0.454	\$0.450	\$0.0040	\$0.45
Coffee, lb., ICE	\$1.182	\$1.228	(\$0.0460)	\$1.50
Sugar, lb., ICE	\$0.256	\$0.259	(\$0.0030)	\$0.31



## EURO vs. US Dollar

Current: \$0.8132

Lowest Last 30 Days: \$0.796

Highest Last 30 Days: \$0.8217



## Energy Commodities

ENERGY	Price	LstWk	Diff	Price 17
Crude Oil, barrel- ny-mex	\$61.280	\$58.400	\$2.8800	\$53.69
Natural Gas, mbtu- ny-mex	\$2.683	\$2.558	\$0.1250	\$2.69
Diesel Fuel, gal- nymex	\$1.925	\$1.811	\$0.1140	\$1.63
Electricity, mwht- ny-mex	\$34.080	\$34.850	(\$0.7700)	\$31.33
Gasoline, gal- nymex	\$1.927	\$1.842	\$0.0850	\$1.73
Diesel Fuel, gal- eia	\$3.027	\$3.063	(\$0.0360)	\$2.57
Ethanol, gal- usda	\$1.363	\$1.342	\$0.0210	\$1.46