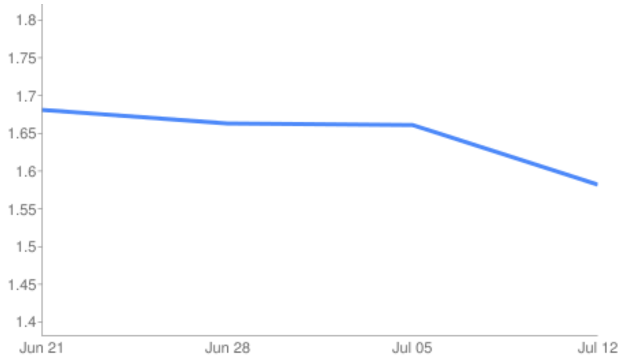
Bellissimo Foods - Market Update
Week Ended July 20, 2018 Summary

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

BEEF - Beef production last week rose notably from the holiday shortened previous week and was 3.9% more than the same week last year. Cattle supplies are anticipated to remain ample in the near term but could tighten in the next few months. Both domestic and foreign (export) beef demand is solid. During the last four weeks, forward beef sales were 28.8% larger than a year ago. Retail beef prices in June were up 1.1% from the previous month and were .8% higher year-over-year. Still, retailers plan to feature beef soon which may temper seasonal price declines, including ground beef. Since 2013, the average move for the domestic 90% beef trim market during the next three weeks was down 3.1%.

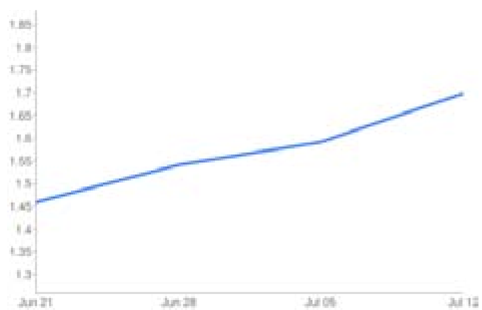
Ground Beef



BEEF	Price	LstWk	Diff	Price 17
Ground Beef 81/19	$1.562	$1.582	($0.0200)	$1.966
Ground Chuck	$1.691	$1.825	($0.1340)	$1.958
116 Chuck (choice)	$2.928	$2.943	($0.0150)	$2.475
168 Inside Round (ch.)	$1.981	$1.981	-	$2.262
184 Top Butt, bnls (ch.)	$3.436	$3.398	$0.0380	$3.758
193 Flank Steak (choice)	$5.465	$5.499	($0.0340)	$4.614
50% Trimmings	$0.689	$0.670	$0.0190	$0.896
75% Trimmings	$1.659	$1.659	-	$1.855
90% Trimmings	$2.209	$2.199	$0.0100	$2.381

PORK - Pork output last week rose notably from the holiday shortened prior week and was 4.7% bigger than 2017. Hog supplies will seasonally expand in the coming months. The USDA is forecasting July through December pork production to be 5.6% larger than last year. Look for the pork markets to experience downward pressure. In June, retail bacon prices were down 7.4% from the prior year which encouraged demand. But, wholesale belly prices will peak soon. The five-year average move for the pork belly cutout during the next eight weeks is lower by 26.8%.

Belly (bacon)



PORK	Price	LstWk	Diff	Price 17
Live Hogs	$0.545	$0.566	($0.0210)	$0.638
Belly (bacon)	$1.720	$1.698	$0.0220	$2.080
Ham (23-27 lb.)	$0.556	$0.527	$0.0290	$0.805
Loin (bone-in)	$0.800	$0.803	($0.0030)	$0.945
Tenderloin (1.25 lb.)	$2.243	$2.245	($0.0020)	$2.422
Picnic, untrmd.	$0.470	$0.553	($0.0830)	$0.694
42% Trimmings	$0.608	$0.697	($0.0890)	$0.687
72% Trimmings	$0.647	$0.835	($0.1880)	$0.922

POULTRY - Chicken production for the week ending July 7th fell notably from the previous week due to the holiday and was .4% smaller than the same week last year. Currently, year-to-date chicken output is tracking only slightly better than 2017. But, production is forecasted to trend 2.1% above year ago levels for the second half of this year. The chicken wing markets are the cheapest for this time of year since 2014. Anticipate strong feature activity for bone-in wings as football season nears which will likely influence prices higher. Over the last five years, the combined average price of the ARA chicken wing index in August, September and October was 4.2% higher vs July. Chicken breasts prices are usually choppy during August but soft in September.

Wings Jumbo Cut

POULTRY	Price	LstWk	Diff	Price 17
Wings (jumbo, cut)	$1.430	$1.392	$0.0380	$2.084
Wing Index- (ARA)	$1.453	$1.415	$0.0380	$2.079
Breast, Bnless Index (ARA)	$1.287	$1.323	($0.0360)	$1.557
Tenderloin Index- (ARA)	$1.677	$1.677	-	$2.022
Legs (whole)	$0.516	$0.419	$0.0970	$0.546
Leg Qtr Index (ARA)	$0.328	$0.332	($0.0040)	$0.408
Thighs, bone in	$0.630	$0.630	-	$0.759

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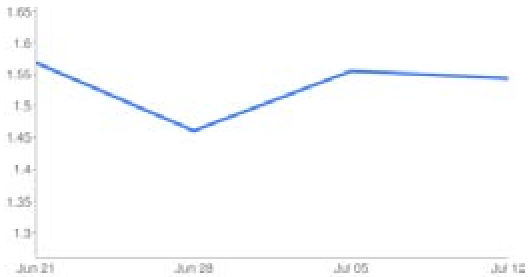
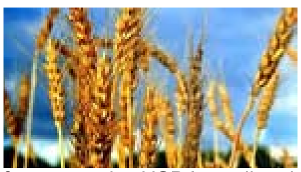
DAIRY - The cheese markets remain range-bound. U.S. cheese output was 1.4% better than 2017 during May, and Class III milk price premiums over Class IV should encourage cheese production moving forward. This factor, tempered exports due to trade challenges, and building world output are likely to mitigate any seasonal cheese price increases this summer. It's a similar story for the butter and nonfat dry milk markets. June 1st, U.S. nonfat dry milk stocks were 3.1% less than last year and the lowest for any month since the spring of 2017. Still, the current inventory is historically large.

Cheese Blocks



DAIRY	Price	Last Week	Difference
Barrels	$1.3385	$1.3570	($0.0185)
40 lb. blocks	$1.5370	$1.5505	($0.0135)
Butter	$2.2490	$2.2125	$0.0365
NFDM	$0.7685	$0.7640	$0.0045



OIL & GRAINS - Wheat futures prices are higher than where they were posted this time last week. Basis premium prices have held most of their value but have moved from historically high levels for some grades like high protein winter that had been scarce in recent crop years. In their production forecasts, the USDA predicted spring wheat other than durum planting this year up sharply. Plantings for this crop, which is currently rated an amazing 80% good to excellent, are forecast to be as much as 48% larger than last year. Support and uncertainty in the market are coming from crop concerns in the European Union, Australia, the Ukraine and Russia. Exports are off to a dismal start this year but could rebound in the second half if these crops don't improve. World wheat prices are finding support from crop concerns, which could also lead prices higher in the U.S.

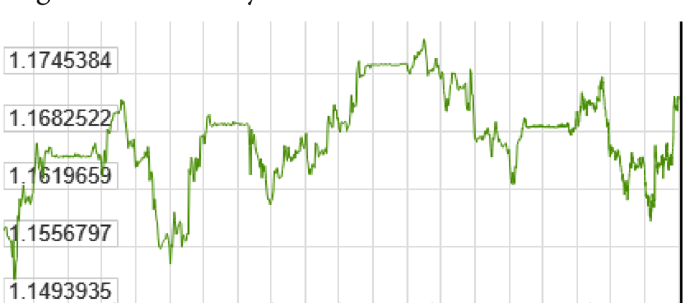
GRAINS + OILS	Price	LstWk	Diff	Price 17
Soybeans, bushel	$8.183	$8.363	($0.1800)	$9.66
Crude Soybean Oil, lb.	$0.266	$0.279	($0.0130)	$0.32
Corn, bushel	$3.262	$3.251	$0.0110	$3.41
Crude Corn Oil, lb.	$0.288	$0.290	($0.0020)	$0.37
Distillers Grain, Dry	$121.479	$123.979	($2.5000)	$107.73
HRW Wheat, bushel	$5.208	$5.248	($0.0400)	$4.63
DNS Wheat 14%, bushel	$5.633	$5.775	($0.1420)	$7.90
Durum Wheat, bushel	$5.130	$5.454	($0.3240)	$7.61

KITCHEN SINK - Coffee prices continue to track at engaging levels for buyers. World coffee supplies are adequate, and the deflated Brazilian real continues to weigh heavy on the coffee market. That's said, Arabica coffee prices have not traded appreciably below a $1 per pound since October 2004.

Kitchen	Price	LstWk	Diff	Price 17
Whole Peeled, Stand (6/10)	$12.650	$12.650	-	$12.25
Tomato Paste- Industrial (lb.)	$0.454	$0.454	-	$0.45
Coffee, lb., ICE	$1.057	$1.120	($0.0630)	$1.31
Sugar, lb., ICE	$0.251	$0.260	($0.0090)	$0.27

EURO vs. US Dollar

Current: $1.1717
Lowest Last 30 Days: $1.1521
Highest Last 30 Days: $1.1782



Energy Commodities

ENERGY	Price	LstWk	Diff	Price 17
Crude Oil, barrel- nymex	$66.890	$73.440	($6.5500)	$46.78
Natural Gas, mbtu- nymex	$2.696	$2.810	($0.1140)	$3.07
Diesel Fuel, gal- nymex	$2.059	$2.193	($0.1340)	$1.53
Electricity, mwht- nymex	$37.200	$37.500	($0.3000)	$35.40
Gasoline, gal- nymex	$1.991	$2.138	($0.1470)	$1.56
Diesel Fuel, gal- eia	$3.239	$3.243	($0.0040)	$2.49
Ethanol, gal- usda	$1.402	$1.398	$0.0040	$1.50