



Bellissimo Foods - Market Update

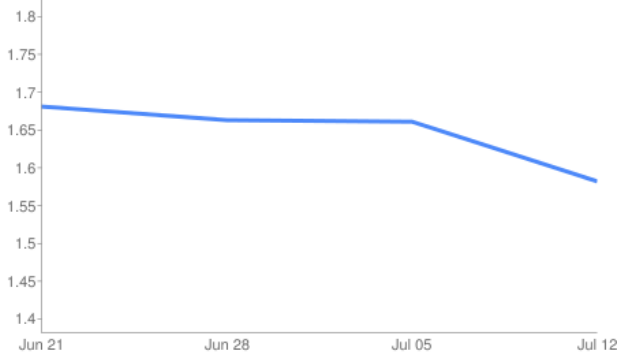
Week Ended August 10, 2018 Summary

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



BEEF - Beef production last week was down 2% from the prior week and was 1.4% smaller than the same week last year. The July 1st total U.S. cattle herd was up 1% from 2017 and was the biggest since 2008. Yet, it was the smallest annual gain since 2014. Beef output for the second half of 2018 is expected to be 3.5% more than last year. Seasonal beef price gains this fall should be modest. Dry conditions in the southern plains are boosting cow slaughter. A drought is occurring in Australia which is fueling cow kill there also. This could boost lean beef trimming supplies in the near term. Since 2013, the average move for 90% beef trim prices in September and October was down 11.1%.

Ground Beef

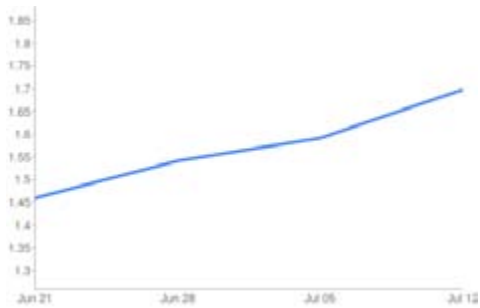


BEEF	Price	LstWk	Diff	Price 17
Ground Beef 81/19	\$1.713	\$1.671	\$0.0420	\$1.728
Ground Chuck	\$1.660	\$1.734	(\$0.0740)	\$1.915
116 Chuck (select)	\$2.922	\$2.873	\$0.0490	\$2.475
168 Inside Round (ch.)	\$1.970	\$2.030	(\$0.0600)	\$2.213
184 Top Butt, bnls (ch.)	\$3.123	\$3.095	\$0.0280	\$3.590
193 Flank Steak (choice)	\$5.819	\$5.749	\$0.0700	\$4.501
50% Trimmings	\$0.780	\$0.724	\$0.0560	\$0.849
75% Trimmings	\$1.563	\$1.563	-	\$1.886
90% Trimmings	\$2.151	\$2.202	(\$0.0510)	\$2.353



PORK - Pork output last week rose 16.6% and was 3.8% bigger than the same week last year. Seasonally rising hogs are likely to encourage pork production gains in the coming months. Pork output from July through December is forecasted to be 5.6% more than last year. Lower pork prices are expected through the Labor Day week. U.S. pork exports during June were 1.4% more than the previous year but the smallest since September. Exports to Mexico during the month were 3.8% less than 2017, and exports to China-Hong Kong were down 40.5%(y-o-y).

Belly (bacon)

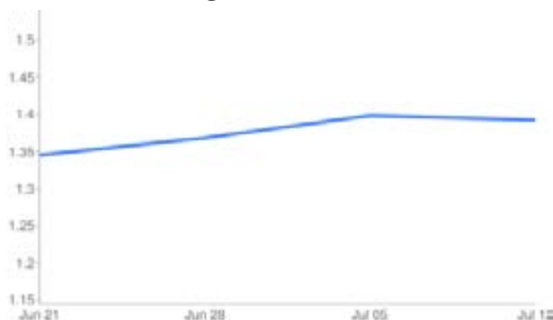


PORK	Price	LstWk	Diff	Price 17
Live Hogs	\$0.399	\$0.459	(\$0.0600)	\$0.590
Belly (bacon)	\$0.992	\$1.157	(\$0.1650)	\$1.975
Ham (23-27 lb.)	\$0.634	\$0.625	\$0.0090	\$0.674
Loin (bone-in)	\$0.766	\$0.762	\$0.0040	\$0.856
Tenderloin (1.25 lb.)	\$2.192	\$2.200	(\$0.0080)	\$2.515
Picnic, untrmd.	\$0.432	\$0.453	(\$0.0210)	\$0.605
42% Trimmings	\$0.387	\$0.395	(\$0.0080)	\$0.650
72% Trimmings	\$0.569	\$0.533	\$0.0360	\$0.787



POULTRY - Chicken production for the six-week period ending July 28th rose 1.3% from the prior year. During those same six-weeks, chicken slaughter averaged 1% more than 2017, and the average bird weight was heavier by .3%. The USDA is calling fall chicken output to be 2.1% better than last year. The chicken breast markets are at their least expensive levels for this time of year in 18 years. Still, chicken breast demand is expected to pick up and prices should appreciate moving towards the Labor Day holiday. However, history suggests that lower chicken breast prices will materialize thereafter. The chicken wing markets are the cheapest for this time of year since 2011. Wing prices are projected to firm into September with growing demand from football viewers.

Wings Jumbo Cut



POULTRY	Price	LstWk	Diff	Price 17
Wings (jumbo, cut)	\$1.430	\$1.413	\$0.0170	\$2.077
Wing Index- (ARA)	\$1.439	\$1.419	\$0.0200	\$2.109
Breast, Bnless Index (ARA)	\$1.175	\$1.183	(\$0.0080)	\$1.441
Tenderloin Index- (ARA)	\$1.804	\$1.804	-	\$2.084
Legs (whole)	\$0.429	\$0.452	(\$0.0230)	\$0.522
Leg Qtr Index (ARA)	\$0.304	\$0.320	(\$0.0160)	\$0.406
Thighs, bone in	\$0.625	\$0.634	(\$0.0090)	\$0.791



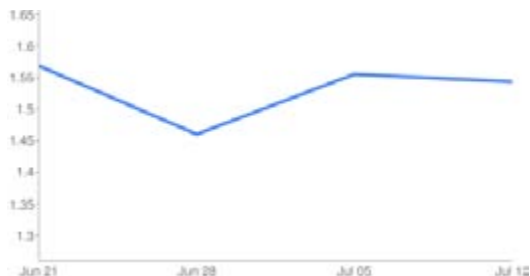
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DAIRY - U.S. milk production continues to trend above year ago levels. During June, milk output was 1.2% larger than the previous year due to 1.2% rise in milk per cow yields and a slightly lower milk cow herd. Milk farmers kept the milk cow herd unchanged from the previous month. The milk cow herd remains historically large but may continue to modestly decline in the coming months due to subpar margins for farmers. Seasonally fading milk output is supporting cheese prices. But, U.S. cheese supplies are ample which could temper any further seasonal price increases this summer.

Cheese Blocks



DAIRY	Price	Last Week	Difference
Barrels	\$1.5345	\$1.4350	\$0.0995
40 lb. blocks	\$1.6110	\$1.5440	\$0.0670
Butter	\$2.3240	\$2.3070	\$0.0170
NFDM	\$0.8265	\$0.8305	(\$0.0040)



OIL & GRAINS - Wheat futures prices continued the climb they started in late June, increasing about 4% in the past week. Prices are at three-year highs. Spring wheat basis premiums have been falling nicely due in part to farmer selling driven by high futures prices. Early indications in North Dakota where some new crop has been harvested are positive. Yields, protein and falling numbers are good. Basis premiums for hard red winter wheat have been stubbornly holding their value despite the near end of the harvest of a very good crop. Friday's USDA World Agricultural Supply and Demand Estimates will be closely watched. The USDA is expected to lower domestic and world wheat crop production forecasts, which may already be priced into the futures market. Any other action could potentially start a correction. Smaller crops in most wheat producing nations support prices everywhere. Stocks to use ratios are becoming uncomfortably low after several years of a worldwide abundance of wheat.

GRAINS + OILS	Price	LstWk	Diff	Price 17
Soybeans, bushel	\$8.461	\$8.733	(\$0.2720)	\$9.52
Crude Soybean Oil, lb.	\$0.276	\$0.276	-	\$0.33
Corn, bushel	\$3.381	\$3.459	(\$0.0780)	\$3.37
Crude Corn Oil, lb.	\$0.271	\$0.280	(\$0.0090)	\$0.37
Distillers Grain, Dry	\$132.563	\$129.958	\$2.6050	\$111.29
HRW Wheat, bushel	\$6.095	\$5.865	\$0.2300	\$4.11
DNS Wheat 14%, bushel	\$6.278	\$6.163	\$0.1150	\$7.36
Durum Wheat, bushel	\$4.978	\$4.945	\$0.0330	\$8.03



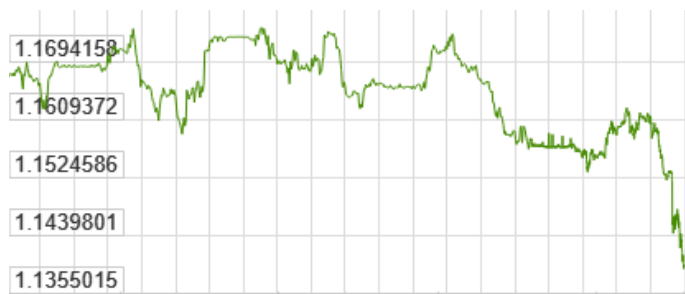
KITCHEN SINK - Coffee prices have continued to track at historically low levels. The Brazilian real value has firmed against the U.S. dollar in recent weeks. The inability for coffee prices to firm as well speaks to the adequate world supplies. Still, the greater price risk for coffee from here is to the upside.

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	\$1.091	\$1.099	(\$0.0080)	\$1.43
Sugar, lb., ICE	\$0.260	\$0.255	\$0.0050	\$0.25



EURO vs. US Dollar

Current: \$1.13
Lowest Last 30 Days: \$1.13
Highest Last 30 Days: \$1.1782



Energy Commodities

ENERGY	Price	LstWk	Diff	Price 17
Crude Oil, barrel- ny-mex	\$67.850	\$67.570	\$0.2800	\$49.25
Natural Gas, mbtu- ny-mex	\$2.941	\$2.768	\$0.1730	\$2.89
Diesel Fuel, gal- nymex	\$2.148	\$2.094	\$0.0540	\$1.64
Electricity, mwht- ny-mex	\$37.550	\$37.050	\$0.5000	\$31.89
Gasoline, gal- nymex	\$2.060	\$2.053	\$0.0070	\$1.62
Diesel Fuel, gal- eia	\$3.223	\$3.226	(\$0.0030)	\$2.58
Ethanol, gal- usda	\$1.412	\$1.395	\$0.0170	\$1.51