



Bellissimo Foods - Market Update

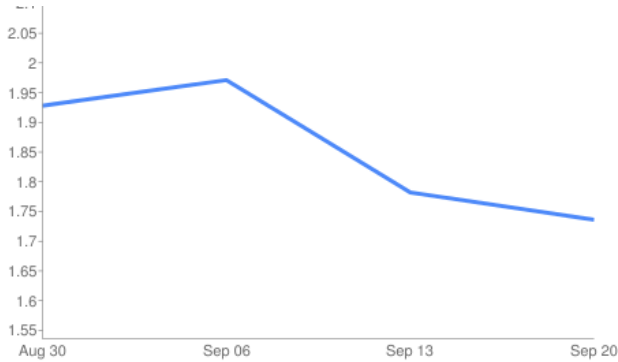
Week Ended September 21, 2018 Summary

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



BEEF - Beef production last week increased 15.9% from the previous holiday shortened week but was .4% smaller than a year ago. During the last six weeks, choice beef output was down 2.7% versus last year. Less cattle grading choice could bring an earlier than usual seasonal bottom of the beef markets. August retail beef prices were down .1% from July, but up .8% from 2017. Retail ground beef prices were up 1.6% from last year and sirloin steak was higher by 3.8%. Strong demand is giving retailers confidence to feature beef this fall. This could provide added support to the various beef markets, including tenderloins and ribeyes, as the holiday season approaches.

Ground Beef

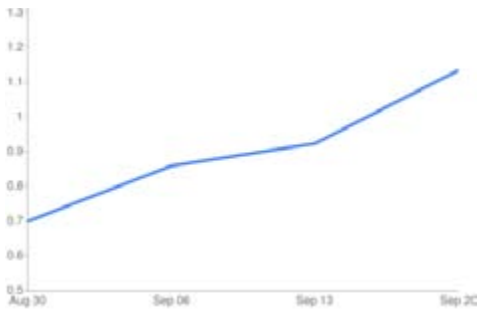


BEEF	Price	LstWk	Diff	Price 17
Ground Beef 81/19	\$1.736	\$1.782	(\$0.0460)	\$1.766
Ground Chuck	\$1.911	\$1.878	\$0.0330	\$1.861
116 Chuck (choice)	\$2.927	\$2.878	\$0.0490	\$3.102
168 Inside Round (ch.)	\$1.890	\$1.967	(\$0.0770)	\$1.941
184-3 Top Butt, bnls (choice)	\$2.812	\$2.884	(\$0.0720)	\$2.733
193 Flank Steak (choice)	\$5.375	\$5.673	(\$0.2980)	\$4.139
50% Trimmings	\$0.556	\$0.535	\$0.0210	\$0.438
75% Trimmings	\$1.563	\$1.563	-	\$1.824
90% Trimmings	\$2.060	\$2.063	(\$0.0030)	\$2.193



PORK - Pork output last week grew 4.3% from the previous Labor Day shortened week but was 7.3% less than the same week last year. Hurricane Florence halted North Carolina pork production facilities which has supported prices. The USDA pork cutout is up 20.4% during the last five business days. But, despite some hog losses, most all facilities are likely to be running by early next week. August retail pork prices were down 1.5% from 2017. August retail bacon prices were the highest since January. Still, wholesale pork belly prices usually fall in Q4.

Belly (bacon)

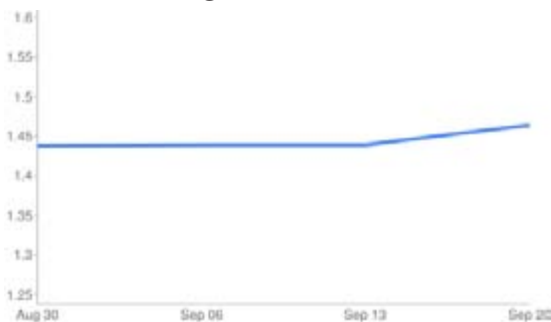


PORK	Price	LstWk	Diff	Price 17
Live Hogs	\$0.369	\$0.301	\$0.0680	\$0.389
Belly (bacon)	\$1.132	\$0.921	\$0.2110	\$0.985
Ham (23-27 lb.)	\$0.571	\$0.490	\$0.0810	\$0.627
Loin (bone-in)	\$0.832	\$0.765	\$0.0670	\$0.796
Tenderloin (1.25 lb.)	\$1.963	\$2.024	(\$0.0610)	\$2.347
Picnic, untrmd.	\$0.506	\$0.464	\$0.0420	\$0.606
42% Trimmings	\$0.503	\$0.315	\$0.1880	\$0.320
72% Trimmings	\$0.584	\$0.454	\$0.1300	\$0.599



POULTRY - For the holiday shortened week of September 8th, chicken production dropped 13.2% from the prior week, but was .2% better than the same week a year ago. The six-week total of chicken output was 3.9% larger than 2017. The USDA is forecasting Q4 chicken production to be 2.2% more than a year ago. Hurricane Florence was estimated to have killed at least 1.5 million chickens in North Carolina which would account for only .4% of the total chick slaughtered in August. This could bring some support to the chicken markets which have been lackluster as of late. August retail chicken breast prices were down 8% from the prior year and the cheapest in over a decade. Wholesale chicken breast prices tend to weaken further in the fall.

Wings Jumbo Cut



POULTRY	Price	LstWk	Diff	Price 17
Wings (jumbo, cut)	\$1.464	\$1.439	\$0.0250	\$2.117
Wing Index- (ARA)	\$1.497	\$1.473	\$0.0240	\$2.157
Breast, Bnless Index (ARA)	\$0.953	\$0.962	(\$0.0090)	\$1.293
Tenderloin Index- (ARA)	\$1.804	\$1.804	-	\$1.742
Legs (whole)	\$0.400	\$0.485	(\$0.0850)	\$0.483
Leg Qtr Index (ARA)	\$0.292	\$0.298	(\$0.0060)	\$0.388
Thighs, bone in	\$0.421	\$0.567	(\$0.1460)	\$0.743



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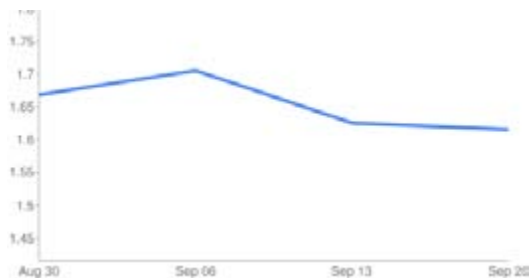
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DAIRY - The butter markets have remained range-bound but trading well below year ago levels. Lower international butter prices have weighed on the domestic markets as of late. History suggests the CME butter market is likely to remain near current levels for the next few weeks before peaking for the rest of the year. The cheese markets have been on the defensive as of late with barrels declining to multi-month lows. Cheese prices typically make their fall top during the last few weeks of October. Domestic nonfat dry milk stocks were 7.4% bigger than 2017. This may temper any further upside risk.

Cheese Blocks



DAIRY	Price	Last Week	Difference
Barrels	\$1.3935	\$1.4700	(\$0.0765)
40 lb. blocks	\$1.6170	\$1.6300	(\$0.0130)
Butter	\$2.2760	\$2.2300	\$0.0460
NFDM	\$0.8730	\$0.8850	(\$0.0120)



OIL & GRAINS - Wheat futures prices moved higher this week. The largest move was Friday when the market reacted to the possibility the U.S. scored some of the recent very large Saudi wheat tender for export. Beginning over the weekend, concerns that a hard freeze in Australia will dramatically reduce the size of their wheat crop was a supportive factor. Speculation that Russia will ration exports at some point resurfaced with reports they limited phytosanitary certificates. Several years ago, limits on these certificates preceded formal export restrictions. Following the steady drop in futures and basis since early August, U.S. wheat prices had reached a point where they were competitive in world markets before they bounced higher. Producers are turning their attention to harvesting their row crops; wheat and flour prices could be expected to stay steady to higher given limited new sales during the harvest season.

GRAINS + OILS	Price	LstWk	Diff	Price 17
Soybeans, bushel	\$7.365	\$7.554	(\$0.1890)	\$9.29
Crude Soybean Oil, lb.	\$0.267	\$0.277	(\$0.0100)	\$0.34
Corn, bushel	\$2.979	\$3.263	(\$0.2840)	\$3.02
Crude Corn Oil, lb.	\$0.263	\$0.248	\$0.0150	\$0.37
Distillers Grain, Dry	\$136.250	\$139.167	(\$2.9170)	\$111.04
HRW Wheat, bushel	\$5.160	\$5.228	(\$0.0680)	\$3.74
DNS Wheat 14%, bushel	\$5.553	\$5.503	\$0.0500	\$6.17
Durum Wheat, bushel	\$4.767	\$4.914	(\$0.1470)	\$6.47



KITCHEN SINK - The coffee markets continue to trade at engaging levels for buyers. World coffee supplies have improved, and the firm U.S. dollar is favoring lower prices. However,

Arabica coffee futures have not traded appreciably below these price levels for a consistent period of time in over a decade.

Kitchen	Price	LstWk	Diff	Price 17
Whole Peeled, Stand (6/10)	\$12.650	\$12.617	\$0.0330	\$12.14
Tomato Paste- Industrial (lb.)	\$0.454	\$0.453	\$0.0010	\$0.45
Coffee, lb., ICE	\$0.920	\$0.962	(\$0.0420)	\$1.34
Sugar, lb., ICE	\$0.255	\$0.254	\$0.0010	\$0.27

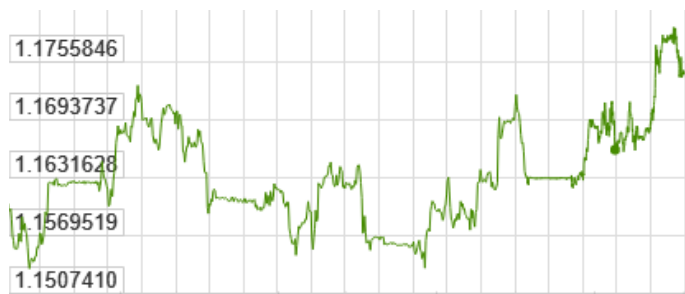


EURO vs. US Dollar

Current: \$1.1743

Lowest Last 30 Days: \$1.1541

Highest Last 30 Days: \$1.1782



Energy Commodities

ENERGY	Price	LstWk	Diff	Price 17
Crude Oil, barrel- ny-mex	\$69.550	\$71.210	(\$1.6600)	\$50.39
Natural Gas, mbtu- ny-mex	\$2.891	\$2.824	\$0.0670	\$3.12
Diesel Fuel, gal- nymex	\$2.220	\$2.264	(\$0.0440)	\$1.77
Electricity, mwht- ny-mex	\$38.850	\$36.400	\$2.4500	\$32.31
Gasoline, gal- nymex	\$1.987	\$2.036	(\$0.0490)	\$1.61
Diesel Fuel, gal- eia	\$3.268	\$3.258	\$0.0100	\$2.79
Ethanol, gal- usda	\$1.253	\$1.278	(\$0.0250)	\$1.56