



# Bellissimo Foods - Market Update

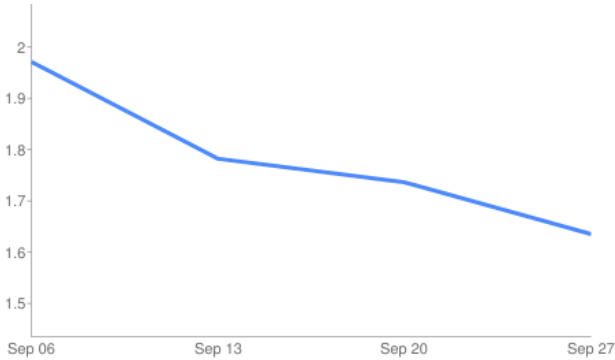
## Week Ended September 28, 2018 Summary

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



**BEEF** - Beef output last week rose 1.1% from the prior week and was 2.4% larger than last year. The September 1st cattle on feed inventory was 5.9% bigger than 2017. Further, cattle placements into feedlots during August were up 7.4% from the prior year but at an average weight of 1.3% lighter. This data supports expectations for solid year-over-year beef production gains this fall. August 31st boneless beef stocks were up 5% from a year ago and the biggest for the month in at least 18 years. This could temper seasonal price gains for ground beef which usually occurs soon. Since 2013, the average move for the 81/19 ground beef market from early- October through early-November was up 7.2%.

### Ground Beef

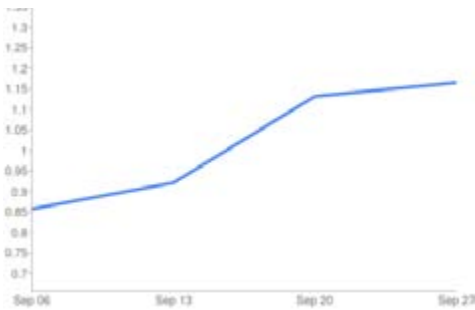


BEEF	Price	LstWk	Diff	Price 17
Ground Beef 81/19	\$1.635	\$1.736	(\$0.1010)	\$1.745
Ground Chuck	\$1.822	\$1.911	(\$0.0890)	\$1.916
116 Chuck (choice)	\$2.803	\$2.927	(\$0.1240)	\$3.226
168 Inside Round (ch.)	\$1.918	\$1.890	\$0.0280	\$2.137
184 Top Butt, bnls (ch.)	\$2.554	\$2.721	(\$0.1670)	\$2.569
193 Flank Steak (choice)	\$5.364	\$5.375	(\$0.0110)	\$4.298
50% Trimmings	\$0.494	\$0.556	(\$0.0620)	\$0.455
75% Trimmings	\$1.563	\$1.563	-	\$1.750
90% Trimmings	\$2.009	\$2.060	(\$0.0510)	\$2.210



**PORK** - Pork production last week gained 1.3% from the prior week but was 7.5% smaller than a year ago. The unimpressive pork output was due mainly to slowed operations from Hurricane Florence. Hog supplies have been surprisingly tight and have supported the pork markets. China's African swine fever cases have grown but the overall spread potential of the virus is still in question. August 31st pork stocks were up 1% with 2017, with belly (82%), ribs (5%) and trim (21%) holdings all larger. The pork markets usually peak in early to mid-October.

### Belly (bacon)

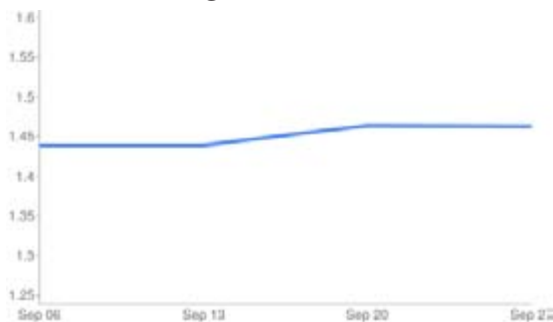


PORK	Price	LstWk	Diff	Price 17
Live Hogs	\$0.439	\$0.369	\$0.0700	\$0.360
Belly (bacon)	\$1.165	\$1.132	\$0.0330	\$0.903
Ham (23-27 lb.)	\$0.629	\$0.571	\$0.0580	\$0.552
Loin (bone-in)	\$0.852	\$0.832	\$0.0200	\$0.771
Tenderloin (1.25 lb.)	\$1.989	\$1.963	\$0.0260	\$2.278
Picnic, untrmd.	\$0.509	\$0.506	\$0.0030	\$0.580
42% Trimmings	\$0.533	\$0.503	\$0.0300	\$0.312
72% Trimmings	\$0.627	\$0.584	\$0.0430	\$0.624



**POULTRY** - For the week ending September 15th, chicken output declined 2.3% from the prior week, and was 2.2% less than the same week in 2017. Yet, the six-week total of chicken production was 2.9% better than a year ago. Inexpensive feed costs should boost chicken production this fall. The USDA is calling Q4 output to be up 2.2% year-over-year which should limit any surprise price gains for chicken. Wing prices are seasonally rising in response to strong demand from football watchers. Still, the chicken wing markets are the cheapest for this time of year since 2011. Chicken wing prices usually increase over the next two weeks. Wholesale chicken breast prices are at multi-year lows for September which may temper seasonal declines this fall.

### Wings Jumbo Cut



POULTRY	Price	LstWk	Diff	Price 17
Wings (jumbo, cut)	\$1.463	\$1.464	(\$0.0010)	\$2.066
Wing Index- (ARA)	\$1.508	\$1.497	\$0.0110	\$2.119
Breast, Bnless Index (ARA)	\$0.965	\$0.953	\$0.0120	\$1.206
Tenderloin Index- (ARA)	\$1.804	\$1.804	-	\$1.659
Legs (whole)	\$0.440	\$0.400	\$0.0400	\$0.398
Leg Qtr Index (ARA)	\$0.291	\$0.292	(\$0.0010)	\$0.373
Thighs, bone in	\$0.410	\$0.421	(\$0.0110)	\$0.649



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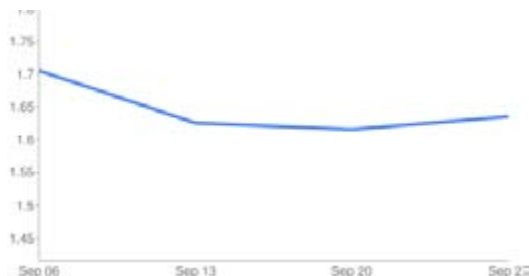
## Week Ended September 28, 2018 Summary

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



**DAIRY** - Farmers continue to expand milk output. During August, U.S. milk production was 1.4% bigger than last year due to a 1.4% gain in milk per cow yields and a slightly smaller herd. Dairy farmers added a net 5k to the heard during the month, marking the biggest gain since January. Milk prices are high enough which should encourage modest milk output gains in the coming months. This, and deflated nonfat dry milk prices, should temper the upside risk in the cheese markets. World butter prices are on the decline which should mitigate export demand and limit domestic butter prices.

### Cheese Blocks



DAIRY	Price	Last Week	Difference
Barrels	\$1.3800	\$1.3935	(\$0.0135)
40 lb. blocks	\$1.6560	\$1.6170	\$0.0390
Butter	\$2.2985	\$2.2760	\$0.0225
NFDM	\$0.8745	\$0.8730	\$0.0015



**OIL & GRAINS** - Wheat futures prices are lower this week. Inputs that lead the market higher last week, some export sales improvement and concerns of possible freeze damage to the Australian crop, couldn't sustain the higher prices this week. Basis premium prices were steady to lower as well. U.S. hard red winter wheat planting is off to a good start. Conditions are promising; farmers are expected to plant more acres to winter wheat this year. Nebraska is reportedly free from drought conditions. Kansas concerns are small, but Texas and Oklahoma were not out of the woods completely. Tomorrow's USDA annual Small Grains Summary and Grain Stocks Reports are not expected to lead to any major moves in the market.

GRAINS + OILS	Price	LstWk	Diff	Price 17
Soybeans, bushel	\$7.730	\$7.365	\$0.3650	\$9.11
Crude Soybean Oil, lb.	\$0.280	\$0.267	\$0.0130	\$0.32
Corn, bushel	\$3.179	\$2.979	\$0.2000	\$3.02
Crude Corn Oil, lb.	\$0.270	\$0.263	\$0.0070	\$0.37
Distillers Grain, Dry	\$135.792	\$136.250	(\$0.4580)	\$111.79
HRW Wheat, bushel	\$5.220	\$5.160	\$0.0600	\$3.84
DNS Wheat 14%, bushel	\$5.560	\$5.553	\$0.0070	\$6.46
Durum Wheat, bushel	\$4.709	\$4.767	(\$0.0580)	\$6.52



**KITCHEN SINK** - The tomato harvest is progressing in California and the Midwest. Roughly a month remains with the harvest with volumes declining throughout October. Due to the smaller carryover stocks, the 2018-19 tomato for processing supply is expected to decline which could support canned tomato prices.

Kitchen	Price	LstWk	Diff	Price 17
Whole Peeled, Stand (6/10)	\$12.650	\$12.650	-	\$12.14
Tomato Paste- Industrial (lb.)	\$0.454	\$0.454	-	\$0.45
Coffee, lb., ICE	\$0.971	\$0.920	\$0.0510	\$1.32
Sugar, lb., ICE	\$0.254	\$0.255	(\$0.0010)	\$0.27



### EURO vs. US Dollar

Current: \$1.1618  
 Lowest Last 30 Days: \$1.1544  
 Highest Last 30 Days: \$1.1795



### Energy Commodities

ENERGY	Price	LstWk	Diff	Price 17
Crude Oil, barrel- ny-nymex	\$71.960	\$69.550	\$2.4100	\$52.00
Natural Gas, mbtu- ny-nymex	\$3.044	\$2.891	\$0.1530	\$3.07
Diesel Fuel, gal- nymex	\$2.301	\$2.220	\$0.0810	\$1.83
Electricity, mwht- ny-nymex	\$37.700	\$38.850	(\$1.1500)	\$32.95
Gasoline, gal- nymex	\$2.042	\$1.987	\$0.0550	\$1.62
Diesel Fuel, gal- eia	\$3.271	\$3.268	\$0.0030	\$2.79
Ethanol, gal- usda	\$1.230	\$1.253	(\$0.0230)	\$1.54