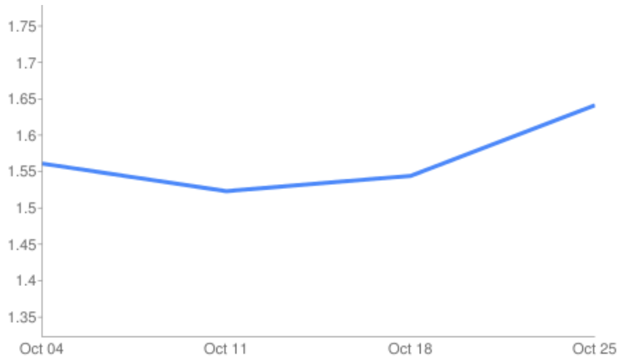
Bellissimo Foods - Market Update
Week Ended October 26, 2018 Summary

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

BEEF - Last week beef production declined 2% from the previous week and was .7% below a year ago. Despite modestly heavier carcasses from a year ago, output was hampered by smaller than expected slaughter. Given larger feedlot placements this past summer, total on-feed cattle are record large, and front-end supplies are projected to remain ample. The USDA is calling Q4 beef production to be up 2.9% (yoy). Beef demand remains brisk, with the four-week average of forward sales 3.3% better than last year. Choice ribeye and tenderloin prices are running well above a year ago but are expected to seasonally peak in the late fall. The boneless beef trim markets continue to languish near two-year lows.

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 jumped 4.2% from the prior week and was up 3.9% from last year. It was the largest weekly hog harvest ever recorded. Despite 2.6 million hogs being slaughtered, lighter year-over-year carcass weights tempered the already historically strong output. In the coming weeks, plentiful hogs, at heavier weights are expected to boost year-over-year pork production gains. Seasonal holiday ham interests have been modest. Since 2015, the average move for the 23-27 lb. ham market in the first two weeks of November is up 3.6%.

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 October 13th, chicken output declined 3.8% and was 1.5% less than a year ago. The smaller year-over-year decrease was due mostly to Hurricane Michael's impact on Georgia's chicken production, the country's number one broiler provider. The six-week total of chicken output stands at up only .1% versus 2017. Last week spot margins for producers were the lowest for the week since 2012. If waning profitability persists with a declining number of broiler layers occurring, it's likely that the chicken markets could experience counter seasonal support. The ARA boneless skinless Chicken Breast Index is the cheapest since at least 2007. This should eventually equal lower retail chicken breast prices and help boost demand.

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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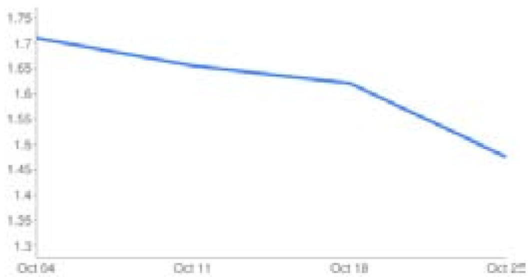
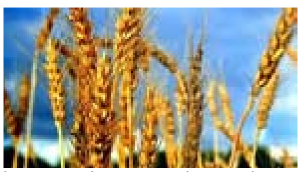
DAIRY - Domestic milk production growth may be showing some early signs of slowing. During September, milk output in the U.S. rose 1.3% from the previous year despite a .3% reduction of the milk cow herd (yoy). The milk-per-cow yield was 1.6% better than a year ago. But, the milk cow herd during the month declined by 12,000 head. Plus, the USDA revised lower its July and August herd estimates. This data suggests that forecasted year-over-year milk output gains may be tempered which could limit the seasonal price weakness for cheese and butter which occurs during the late fall.

Cheese Blocks



DAIRY	Price	Last Week	Difference
Barrels	$1.2345	$1.2990	($0.0645)
40 lb. blocks	$1.4925	$1.5675	($0.0750)
Butter	$2.2190	$2.2710	($0.0520)
NFDM	$0.8690	$0.8705	($0.0015)



OIL & GRAINS - Wheat futures prices are lower this week, especially hard red winter wheat futures. Replenishing rainfall in wheat growing areas and speculation around increases in planted acres were factors that influenced these moves. Market consensus continues to be that it will take a major increase in export demand to move wheat markets substantially higher. This export demand has not materialized. Basis premiums were flat for most grades but moved higher in the case of high protein winter wheat. Talk has turned from crop issues around the world to the possibility that U.S. wheat carryout could increase dramatically. Row crop harvest is moving quickly following rain delays in many areas. For U.S. wheat, the weather market has ended until early spring when winter wheat emerges. Price moving inputs are more likely to be driven by global factors in the coming months.

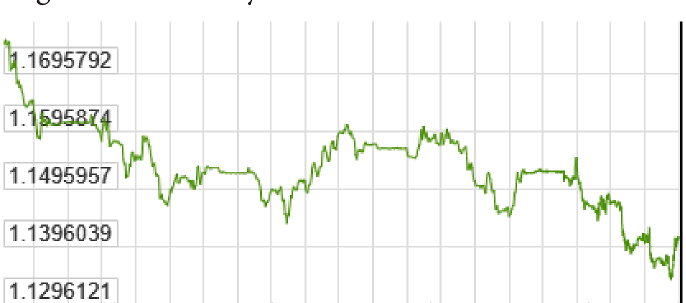
GRAINS + OILS	Price	LstWk	Diff	Price 17
Soybeans, bushel	$7.981	$8.250	($0.2690)	$9.27
Crude Soybean Oil, lb.	$0.286	$0.295	($0.0090)	$0.33
Corn, bushel	$3.333	$3.362	($0.0290)	$3.11
Crude Corn Oil, lb.	$0.275	$0.275	-	$0.35
Distillers Grain, Dry	$136.583	$136.542	$0.0410	$117.27
HRW Wheat, bushel	$5.075	$5.280	($0.2050)	$3.66
DNS Wheat 14%, bushel	$5.850	$5.863	($0.0130)	$6.25
Durum Wheat, bushel	$4.563	$4.543	$0.0200	$6.45

KITCHEN SINK - The coffee markets have strengthened in recent weeks. World supplies are still estimated to be at least adequate but the currency value in Brazil has firmed due to the perceived favorable Presidential election result. Coffee prices could be especially volatile over the next few weeks.

Kitchen	Price	LstWk	Diff	Price 17
Whole Peeled, Stand (6/10)	$12.708	$12.708	-	$12.07
Tomato Paste- Industrial (lb.)	$0.457	$0.457	-	$0.45
Coffee, lb., ICE	$1.211	$1.177	$0.0340	$1.23
Sugar, lb., ICE	$0.251	$0.253	($0.0020)	$0.27

EURO vs. US Dollar

Current: $1.141
Lowest Last 30 Days: $1.1348
Highest Last 30 Days: $1.1754



Energy Commodities

ENERGY	Price	LstWk	Diff	Price 17
Crude Oil, barrel- ny-mex	$66.850	$71.310	($4.4600)	$52.20
Natural Gas, mbtu- ny-mex	$3.286	$3.265	$0.0210	$3.10
Diesel Fuel, gal- nymex	$2.253	$2.335	($0.0820)	$1.82
Electricity, mwht- ny-mex	$36.550	$36.800	($0.2500)	$31.86
Gasoline, gal- nymex	$1.832	$1.972	($0.1400)	$1.68
Diesel Fuel, gal- eia	$3.380	$3.394	($0.0140)	$2.80
Ethanol, gal- usda	$1.226	$1.266	($0.0400)	$1.35