

Gordon Food Service Market Updates

Grocery & Bakery | Soybean Oil

The soybean harvest is 20% completed, ahead of the five year average of 15%. Weather conditions are almost ideal and are expected to remain steady for the next two weeks. This will likely put pressure on soybean futures, unless we see another round of large export orders. Oil prices have retreated from their recent high as fund traders have taken profits on their historically long positions. The yields we're hearing from the fields are stronger than the original projections which could put further pressure on soybean oil futures. Canola oil prices have leveled off as the early harvest is allowing more product to slowly make its way to market. Supplies are still tight but more manageable than the previous two months.

Grocery & Bakery | Flour

With row crops coming from the field, stocks of wheat have been moved to millers to make room for the corn and beans. Spring wheat futures have declined 5%, as a result. Protein premiums are still firm, so the drop in futures hasn't resulted in much change in the overall cost of wheat. We're still seeing cash wheat at the upper end of the trade range for the calendar year. Any further dips in the cash value over the next 30 days may present an opportunity for buyers as we head into baking season.

Grocery & Bakery | Sugar

Beet sugar bookings for 20/21 are slowing as processors are well sold. Several have pulled any further quoting until the true size of the new crop is determined. Luckily the weather has been cooperating and we may get the full harvest complete before any serious frost or snow events occur, unlike last year's situation which drove two

large processors to declare force majeure. The latest WASDE released by the USDA increased the expected import figures for cane sugar out of Mexico. Stocks to use are projected at a healthy 13.5% for the 20/21 year. The outlook for pricing is that we'll see flat prices between now and the first quarter next year, as many buyers took positions after getting caught waiting last year. With many buyers leaving the back half of the year open that leaves a larger supply for opportunities to lock in later.