

Gordon Food Service Market Updates

Grocery & Bakery | Soybean Oil

This week's trade has been relatively quiet compared to what we've been used to seeing in recent months. Export shipments are down significantly since mid-February, and most notably, China has been absent from the list of top destinations. We're floating within the "gray area" between crops as we could begin seeing Brazilian product come to market any time now. The Prospective Planting report is due out March 31, and will be the first look at the planned acreage for the 2021 fall harvest. Early estimates are expecting to see large increases for soybeans and corn, given the unprecedented export demand in 2020.

Grocery & Bakery | Sugar

Increased projected supply later in the year has opened up additional offerings for Q3. Offers are at current levels, though, showing no signs of discounting. The world sugar market has seen a spike in prices as speculators have been jumping on news of lowered production. This won't have a direct impact on US prices given how our market is regulated, but it does create an artificial floor.

Grocery & Bakery | Flour

Flour prices have been steady since late January. Protein premiums have been a little strong as they often rise during the winter months due to transportation challenges. Many within the trade feel the USDA planting intentions will reflect higher corn and soybean acreage, at the expense of wheat acres. The wheat futures strip is trading at a premium in the forward months, which is opposite of corn and soybeans trading at an inverted price out front. Imported pizza flour prices have

risen in recent weeks due to a limited shipping container capacity. Containers are log-jammed in Asia coming out of the Lunar New Year, driving up the prices by double or triple the normal rates. This could be a challenge until later in the Spring.