

# Gordon Food Service Market Updates

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## Grocery & Bakery | Sugar

Beet sugar plantings are set to get underway. There has been some raised concern around the dryness in the upper Midwest, but being so early in the planting cycle there is still plenty of time for any needed moisture to appear. The Louisiana sugar cane crop ratings are much better than this time last year. No major weather concerns there, as the most impactful events are hurricanes in the late summer months. Some industrial buyers have extended a small percent of their coverage through December 2021, but most are waiting to see if the recovered supply will lead to lower prices later in the year. The close-in market is remaining steady as demand is steadily on the rise with the country looking to reopen.

## Grocery & Bakery | Flour

After several months following the corn markets higher, wheat prices finally have taken a step back. The spread with corn is lending toward more wheat being used for feed, meaning the downside is limited unless corn prices also fall. Projected Plantings are due out next Wednesday and will give the first indication of what is being planted for the harvest this fall. There are still plenty of wheat stocks in the U.S. but over the next crop cycle we will likely see a reduction in carryout as wheat loses more acres to corn and soy.

## Grocery & Bakery | Soybean Oil

Past write ups have identified the non-food factors driving up soy oil prices; Strong Chinese demand and new biodiesel capacity coming online. Now that vaccinations are rolling out and the country is moving toward reopening, we're finding the industry is extremely tight on supply as the foodservice segment attempts to

restock the bare cupboards. Costs are moving higher and processors are beginning to ration demand to keep from overcommitting. The export shipments spanning back to late 2020 are proving to have cut our supply too deep, meaning we are likely to face higher prices until we get to our next harvest.