

Gordon Food Service Market Updates

Grocery & Bakery | Soybean Oil

Grain commodities have become the target of speculative traders on Wall Street over the past week, extending their overall agricultural commodity positions to record length. Prices for corn, beans and wheat have moved anywhere from 15-20% higher as a result of the increased demand. A poor winter corn crop in Brazil and dry weather in the US headline the bullish sentiment. Soy oil prices have reached the previous all-time high futures price. Supply chains continue to be hampered by bottlenecks leading to increased spot prices to get product to market.

Grocery & Bakery | Flour

Wheat values were also the target the funds this past week, moving higher in relation to its spread with corn. \$7/bu corn means wheat looks awfully attractive as a feed substitute and should garnish more demand from feeders, particularly in the cattle industry. Given tightening corn supply there is likely a story where we see wheat stocks begin to rapidly deplete during the summer months. Pricing will continue to be volatile and move with the corn futures.