



Gordon Food Service Market Updates for December 24, 2021

Dairy | Eggs

Large -Up

Medium -Up

Small - Up

Retail demand mixed. Supplies of extra large and large well balanced and held confidently. Market steady to full steady.

Dairy | Butter

Butter- Up

Cream inventories are continuing to tighten as ice cream production starts to compete for raw material and hits its production stride. Retail sales show signs of decline, but overall are still healthy. With restaurants reopening food service distributors are still coming back to the buying table, but orders are still below expectations.

Dairy | Cheese

Barrel - Down

Block - Down

The CME Block market responded to the government's release of another billion dollars in the USDA Box program. Speculators feel this will have an effect on the markets for the short term but will not be sustainable for the long term.

Grocery & Bakery | Flour

Pricing remains steady as demand continues to support pricing though there is some hope for pricing to decline once spring planting hits but until that time, pricing appears to be steady with packaging and freight potentially increasing costs.

Grocery & Bakery | Sugar

Production forecasts continue to decrease keeping pricing fairly firm as supply continues to be fairly tight, especially on cane sugar with the need to import from Mexico or Brazil a distinct possibility to meet increased sugar demand in the US.

Seafood | Imported Seafood - High Level Summary

Overall-all imported seafood categories are being heavily affected by port closures,

shortages of shipping containers, warehouse delays, domestic trucking/driver shortages and processing plant delays due to Covid outbreaks and restrictions around the world. China has started to resume production and the supply chain is starting up slowly. Delays are expected for product leaving China through the Chinese New Year.

Seafood | Fin Fish

Cod, 2x Frozen Atlantic and Pacific::

2x Frozen products from Asia continue to be short. Expect price increases and supply disruptions. Possible shortages through CNY maybe into Lent. Limson has booked with the processor our needs into 2022 but delays in shipping due to plant and port closures are causing products to be out of stock with limited substitutions.

Cod is extremely short for a number of reasons.

1. The main port and production facilities have been limited due to Covid and energy issues.
2. The freight changes every day on shipping.
3. Raw materials are short due to vessels not being allowed into port in China.
4. Bookings on containers are being bumped off vessels every day by other high ticket items buying away the container.

Cod, Atlantic 1x:

1x Frozen product from Russian fishing vessels continues to struggle with availability and is hard to come by currently. Less boats due to pandemic, not as much production. Euro demand very high and they are taking all of the product. Not as much available to North American market.

Pollock:

A small amount of product is becoming available from Alaska and it will trickle into inventory over the next few weeks. The Government has reduced the Total Allowable Catch (TAC) by almost 20% due to the pollock stocks being extremely low. The current catch is yielding extremely small fish. The finished fillet sizes are

below the typical 2-4 ounce size. The next season starts the 3rd week of January which will result in inventory arriving by March.

Haddock:

Supplies of fillets are improving while loins continue to be short. The 10-12z size is still tight but available while the 8-10z is coming into the US currently and available.

Salmon:

Norwegian; Supplies have improved and pricing is stable but there are potential of delays of imports from Europe due to the resurgence of covid restrictions.

Chilean; currently supply is good but with increased demand the delays if imports will effect stocking levels. There may be some supply gaps due to shipping containers but the raw material is secured.

Swai:

Production has started to resume slowly but the factory closures have caused fish to be in the water longer producing larger Swai. Small sizes will be short as the US begins to receive inventory. Note there will continue to be supply issues and delays plus pricing will stay elevated.

Tilapia:

Tilapia frozen fillets are also going up in price to market due to logistical issues, freight, costs, tariffs and a strong U.S. demand. Supply is short due to container delays.

Mahi Mahi:

Supply is improving additional supply has been purchased from Asia to fill in for the poor harvest in South America. Most of the South America catch is going to fresh market with little being frozen. Costs will stay at the elevated level for the foreseeable future.

Tuna:

Portioned Tuna steak supply has improved. We have sourced some CO treated to help the supply situation. Saku Block 10z remains short but there is supply of the 8z alternative in stock. Supply is still hampered due to Covid and labor issues so the

expectation is that prices will remain elevated into the summer.

Lake Fish:

Lakefish-recent fishing has improved with boat catches being good but not enough vessels are on the water due to labor and covid hesitations to provide an abundant supply. Most of the catch goes to the fresh market first and carry over will be frozen. At this time not much is ending up in freezers. Larger size Walleye and Whitefish are short but should improve over fall as temps drop.

Yellow Perch -Have Michigan Sized Butterflied are the most abundant and some Splits, but costs are crazy. Ohio sizes is non existent. Overall category is still short.

Walleye -Sizes 8-10z and larger are short with more expected. Fish when water is warm are moving deeper into waters that boats are not allowed to fish.

Whitefish -Larger size Whitefish, 8-10 and bigger are short but should improve over fall water temps drop.

Euro Lake Perch -Struggle to source with most of the supply coming from Poland and Kazakhstan which are dealing with covid restrictions and overfishing issues. Limson is working with other suppliers to source more. Sizes 20-40 and 40-60 are still a challenge. There is availability of the larger sizes of Pike/Perch available as an option for walleye.

Ocean Perch:

Short

Sea Bass:

Short

Seafood | Shrimp

Imported White Shrimp:

Usage continues to increase with high demand. Inventories are starting to get into a better situation for most sizes of white shrimp. We continue to witness spotty shortages on some sku's as supply countries continue to rebound. Pricing is still

fluctuating weekly but is settling down a little at the elevated level. Larger sizes 8-12 nonexistent. Limson continues to supplement product from other importers to supplement into GFS DC's. Please be aware you will witness other brands in the GFS item slots.

Imported Tiger Shrimp:

Smaller shrimp harder to secure. Continued Container delays present challenges overall. Since Tigers grow to adulthood slower than Imported Whites this species is seeing limited availability. Pricing remains elevated.

Domestic White & Brown Shrimp:

Most sku's are available as with supply of Gulf product being harvested, the predominant sizes are 26/30 and smaller. U-15's and larger are limited with spotty availability and elevated pricing. Expect pricing to stay stable for the short term while demand stays consistent.

PUD Shrimp:

For right now these pack outs will be hit and miss. Producers are reporting higher pricing, as the demand is higher and product is getting bid up at the docks.

Seafood | Lobster & Crab

North Atlantic Lobster:

Maine Fishing has slowed due to weather but stored supplies currently are good. Prices remain firm. Trends, small 3-4z & 8-10z Tails are less available. Meat CK, CK Broken and CKL is available and prices are remaining firm.

Warm Water Lobster:

In good supply currently and Limson has supply of warm water Lobster on-order but arrivals are slow. Product arriving from Brazil is slow but steady.

South African:

Supplies have improved and currently all sku's are available. Shipping delays can cause supply gaps if demand increases.

Snow Crab:

Prices remain elevated. Supply is matching demand is rated moderate in comparison to prior years. Limson is currently stocked with 5/8, 8 ups and 10 ups.

Alaskan season has been cut substantially due to poor Biomass. There will not be an Alaskan season until late spring.

King Crab:

Alaskan season has been canceled due to poor biomass. There will not be an Alaskan season until spring. Russian fishing is slow and port logistics limit supply. For now the product remains very short and costs are firm. 20-24's are difficult to find, larger sizes are available and we have some supply. Look to Golden King crab as an option for the short supplied Red King.

Seafood | Specialty Seafood

Scallops:

Prices are elevated. With poor domestic harvests we are currently buying a month or two out as product is available. May start to see shorts on U-15, U-12 and U-10 sizes. Supply of all-natural U10s has been constrained since last season and continues to demand record high premiums. Sea Scallops-20% fewer landings. A decrease in overall supply mainly 20-30 sizes.

Squid:

Demand continues to be very strong. Expect to see supply issues as demand outweighs available supply.

IQF Oysters:

Short currently due to seasonal harvest being once per year. Targeted landings in January of new season harvest and we will update the supply soon.