



# **Gordon Food Service Market Updates for September 2, 2022**

## **Dairy | Eggs**

Large - Up

Medium - Up

Small - No change

Retail demand fair to fairly good. Supplies generally balanced. Market steady.

## **Dairy | Butter**

Butter- Up

Tight Cream is slowing butter production in some markets across the county, as ice cream makers continue to pull strong to meet demands; butter sales are relatively stable but pricing remains elevated at this time.

## **Dairy | Cheese**

Barrel - Down

Block - Down

The Block and Barrel Markets have shown some bearish moves these past weeks. Supply is currently plentiful and demand is not overcoming supply at this time. Speculators feel this is due to the rise in inflation pressuring consumers wallets and minimizing sales.

## **Grocery & Bakery | Frying Oil**

The ProFarmer crop tour reported its estimates this week and increased the expectations for soybean yields. A forecast providing good rains could further pressure futures and provide an overall good ending to the growing season. China has been rumored to be in the market for US soybeans. US Exports have lagged significantly in comparison to 2021 so it is really just a matter of time before we start to see more tenders. Global economies slowing down is still underpinning overall market performance and likely a reason why we haven't witnessed runaway markets in recent weeks. As farmers get into the fields and begin harvesting beans we expect to see the overall pricing direction for the soybean complex. In Canada, the rapeseed crop is expected to be quite large. This bodes well for canola oil users who have been awaiting price decreases. Relief should occur sometime after the harvest begins in Q4.

Notable Markets Past Week Movement:

Brent Crude - Down

Corn - Up

Soybeans - Flat

Soy Meal - Up

Soy Oil - Flat

## **Grocery & Bakery | Sugar**

Beet sugar remains unavailable on the spot market today as we await the new crop harvest that is just getting underway in some parts of the country while others will be another week or two. Crop conditions have been pretty good in the midwest thus far giving hope for a strong year assuming we do not see an early frost or a very wet fall. Cane sugar is very limited on the spot market as well and pricing will remain elevated as we get into 2023.

## **Grocery & Bakery | Flour**

The market continues to remain steady, with little change in the last month or so which points to somewhat of a bottomed out market with upside potential. As corn remains elevated, wheat prices follow to keep competitive. Worldwide, drought conditions in China & Europe especially have increased the possibility of US exports being needed which has lifted pricing some.