



Gordon Food Service Market Updates for October 21, 2022

Dairy | Eggs

Large - Up

Medium - Up

Small - Up

Retail Demand Fairly Good to Good
Supplies Close to Tight and Held
Confidently
Market Full Steady to Firm

Dairy | Butter

Butter- Down

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 - Up

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

OPEC's cut in crude oil production and recession fears have helped push soy oil futures values higher this week. Harvest outlook remained relatively unchanged in the last WASDE and did not provide the harvest pressure many buyers were hoping for. Now that the production numbers seem set, focus on any macro factors and how it impacts the tight global veg oil supplies will take center stage. Oil costs will begin creeping higher until we see managed money take profit on their long positions.

Grocery & Bakery | Sugar

While both beet and cane sugar harvests are underway and looking good so far, availability remains tight and prices elevated. To date, beet sugar production is unable to keep up with growing demand causing some customers to move back to higher priced cane sugar. With limited supply on the market currently, we expect pricing to remain elevated throughout most of 2023 as the world still adjusts to supply and demand needs post Covid.

Grocery & Bakery | Flour

Wheat prices remain somewhat volatile due to continued unrest between Russia and the Ukraine. After running up a week ago, we have seen a steady decline in futures pricing back to levels seen 2-3 weeks ago. There continues to be little downside price opportunity as the Kansas City wheat growing region continues to see extremely dry conditions that are not good for growth. Winter wheat planting is about 55% completed. This will be something to watch as the season goes on as there is limited carryover due to the poor crop last year. As a result the tight supply as well as to keep pace with the higher prices of corn & soybeans, pricing will need to remain high to keep exporting low.