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SafeSourcing e-Newsletter

Have comments, questions, or suggestions about the SafeSourcing e-Newsletter? Let us know what you think by emailing us at the following address. We look forward to hearing from you!

events@safesourcing.com

Trivia!

What does Qualitative mean?

www.safesourcing.com

Industry News

Meat, Cheese and Corn Markets

Meat Prices Fall

The COVID-19 pandemic sickened many meat packing workers earlier this spring which forced factories to shut down. Fast forward and the price for ground beef and pork loins have returned to pre-pandemic prices. The price for chicken wings and prime rib are cheaper than before the pandemic started. The rise in production and lower overall demand are pushing prices down.

Gordon Foods Service Inc., one of the largest U.S. restaurant distributors, is selling beef for half what it cost a few months ago. B&R Stores, Inc. restricted the amount of beef people could purchase in the spring but have recently put it on sale for a discount. The same factors that drove prices up in the springtime now are driving prices down. Plant shutdowns which hurt production in the spring have now led to a backlog of livestock. Slaughterhouse shutdowns in April and May that cut deeply into meat production, processing has resumed now. Tyson Foods Inc., the largest meat company by sales, reported an estimated one million cattle and three million hogs remain backed up on US food lots. ■

Jacob Bunge and Jaewon Kant, WSJ, 9/21/2020

INSIDE THIS ISSUE

1	Meat Prices
2	Cheese
2	Trivia! Answer

COMING NEXT ISSUE

Nov.	Answer to our Trivia!
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Recent Savings

Breaded Chicken

Savings were 32.63% of total spend. ■

Receipt Paper

Savings were over 57.38% of total spend. ■

*Please [contact SafeSourcing](#) to schedule your RISK FREE event today.

Kraft Sells Some Cheese Brands

Kraft Heinz recently announced that they will sell their US natural cheese brand, as well as a mix of other brands in North America and internationally, to France's Groupe Lactalis SA for \$3.2 billion. This is part of a plan to concentrate on simplifying their business and focus on brands that resonate with their contemporary consumers. Sales of groceries, including packaged goods, rose dramatically during the pandemic. Some established businesses could not keep up with the rise in demand for packaged products. Kraft struggled to keep up with the demand for their macaroni and cheese, while competitors such as General Mills Inc. with its Progresso Soup and Betty Crocker's baking mixes gained ground. "The pandemic reinforced a theme evident in Kraft Heinz's challenges since the company was created in a 2015 merger: bigger isn't always better" Kraft Heinz has struggled with the merger as their customer base defected to foods that were trendier, healthier, and lower priced. The stock price is half what it was before the merger. Some of proceeds from the sale to Lactalis are earmarked to repay debt. ■

Peter Grant, WSJ, 8/26/2020

Corn

In 2016, the Chinese government ended a price-guarantee program for corn farmers which had led to massive amounts of accumulated grain. Once this program ended, Chinese corn prices have plunged. The combination of low prices and oversupply led to farmers to cut back on production. It has taken years to reduce stock-piles. Today prices are soaring and it is expected China will step up imports of corn and other grains such as sorghum and barley. This will benefit US grain farmers who are suffering from falling prices this year. "The Coronavirus pandemic has damaged sales, and the market is further depressed by expectations of a larger corn crop later this year, thanks to farmers increasing the amount they planted. The US harvest typically begins in September."

"China has already stepped up purchases of American farm goods this year, looking to hit purchasing targets laid out in the first phase of the U.S.-China trade deal signed in January.

China bought 2.1 million metric tons of corn through July16, up from 315 thousand metric tons in the same period last year." ■

Lucy Cranmer, WSJ, 7/31/2020

QUESTIONS AND ANSWERS

Q: How can I subscribe or unsubscribe to these newsletters?

A: You can subscribe or unsubscribe to these free newsletters by simply going to our [website](#), and clicking the option "e-Newsletter" or by contacting us directly at events@safesourcing.com.

Q: I have run events in the past, is there any chance I could be saving more?

A: Yes. No matter when your past event ran, the team at SafeSourcing can find ways for your company to save.

Q: I want to know more about what SafeSourcing does. Who can I talk to about this?

A: You can contact a customer services representative by calling us at 1-888-261-9070 or by going to our [website](#) and trying our "Risk Free Trial" offer.

Trivia! From September 2020 Issue

What does Pandemic mean?

A pandemic is an epidemic of disease that has spread across a large region, for instance multiple continents or worldwide, affecting a substantial number of people. A pandemic is an outbreak of a disease that occurs over a wide geographic area and affects an exceptionally high proportion of the population whereas a widespread endemic disease with a stable number of infected people is not a pandemic.

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