



Manufacturers of Fine Food Products

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Dear Valued Customer,

Over the last three months the price of soybean oil has risen sharply. In addition to the increase in the CBOT or crude oil price, we are seeing considerably higher costs for refining crude soybean oil. The rise in prices is a result of tightly constrained supply and very strong demand.

As a result of these significant cost challenges we are increasing our list prices on our branded products effective for **orders placed on or after June 15, 2021.**

#### **CBOT \$ - Soybean Oil**

The CBOT price of soybean oil continues to rise. The current May spot price moved higher by more than 29% since January. This follows a 61% increase in the nine months prior. All told, the CBOT price has nearly doubled in the last twelve months. On the demand side, we are faced with increased production capacity of clean biodiesel, in conjunction with flat demand for traditional biodiesel and food use. On the supply side, strong export demand has coincided with rising domestic demand, ensuring that the limited supply of soybeans for will remain constrained until the October harvest at the earliest.

#### **Refining \$ - Soybean Oil**

At the current demand levels for soybean oil, the industry has begun to reach the limits of its refining capacity. The cost of refining soybean oil is well above all-time highs, and current prices are 3-4 times the historical average. With the existing supply and demand balance the availability of soybean oil is at risk.

During this period Ken's Foods will only accept orders that do not exceed historical purchase patterns.

Please contact your Ken's sales representative with questions.

Thank You