

# Foodservice Marketing Bulletin



SUBJECT                   **Foodservice July 1, 2022 Price Increase**  
DEPARTMENT           **Red Gold Foodservice**  
DATE                      **April 29, 2022**  
CONTACT                 **Foodservice Sales & Marketing**

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To: Our Valued Customers:

More than 2 years after the start of the start of the COVID pandemic, the Foodservice Industry continues to experience significant cost pressure from many sides: raw materials, fuel, labor, etc.

- California Industrial Tomato Paste has jumped substantially, realizing a 34% increase in 2021 and now a 38% increase forecasted for 2022.
- Midwest Raw Processing Tomatoes have increased 30% driven by labor, chemical cost, and higher prices for competing crops (corn & soybeans), which impacts acreage commitments to tomatoes
- Other ingredients like sugar and sweeteners have increased from 8-15%.
- According to the U.S. Department of Labor PPI, packaging materials in plastic, resin, and corrugate are impacting manufactured goods with 5-14% increase.
- High energy costs impact inbound freight, raw material and manufacturing costs with Diesel currently well above \$5.00/gal and Natural Gas hovering near \$7.00/thousand cubic feet (50%+ and 70%+ increase vs. a year ago)

As a partner and your trusted Tomato and Condiment Supplier, we feel it is important to communicate as much detail as possible as it has required a significant, but necessary price list increase for Red Gold products effective Friday, July 1, 2022. Red Gold has taken all measures possible to keep the increases you experience from Red Gold as low as possible.

**All fresh-packed Tomatoes & Tomato Products packaged in cans, will increase in line with our February 15, 2022 price increase for the continuously produced Tomato Products, This is due to can costs increasing \$3.75 for 6/#10 cases.**

To see the individualized cost increases by SKU, please consult the Red Gold Branded Pricelist.

Here is a quick summary of what you find on average...

- #10 can Peeled Tomatoes will increase 18-23% which includes the can cost
- Bulk Ketchup will increase 10-14%
- #10 Cans of continuously produced Fully Prepared Sauces will increase 6-8%; with fresh-packed Sauces increasing 20-22%
- Ketchup Packets will increase 8-10%
- Portion Control Cup Sauces will increase 13-17%

We value your business and support as we navigate these turbulent times. If you have any questions, please contact your Red Gold Regional Sales Manager.

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