

Food & Beverage - Playing The Market - By Joe Dunbar
2008-02-29

Do you try to time the market for your top center of the plate items?

Tolerance for using frozen protein items may be the key to your response. I have seen operators with huge outdoor freezers receive a truckload of meat shipped directly from Chicago. Prior to placing the order, they studied the Urner Barry Yellow Sheets and pulled the trigger at a favorable time.

This article is written for the other type of market play. Operators may receive calls from their meat and seafood suppliers in up markets asking if they want to lock in a high price before it goes higher. Some take the bait and lock a bad price for their busiest season. No freezer needed in this scenario. You simply agree to pay a high price for your key ingredients during your busiest period of the year.

Commodity markets climb when demand outstrips supply. Those who follow the futures markets look at long term trends like herd size and seasonal weather predictions. Recent gains in corn prices have made items sensitive to grain prices quite high.

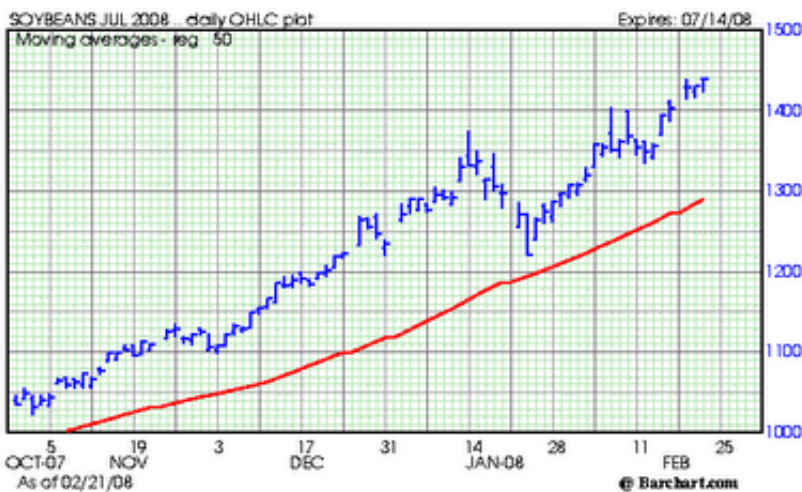
These markets are typically difficult to trade for new entrants. Unless you have excellent information and see a major market anomaly, I would not recommend placing a futures hedge bet.

Let's look at some of the trends in the grains markets. I'm using information from Daily Futures including these charts:

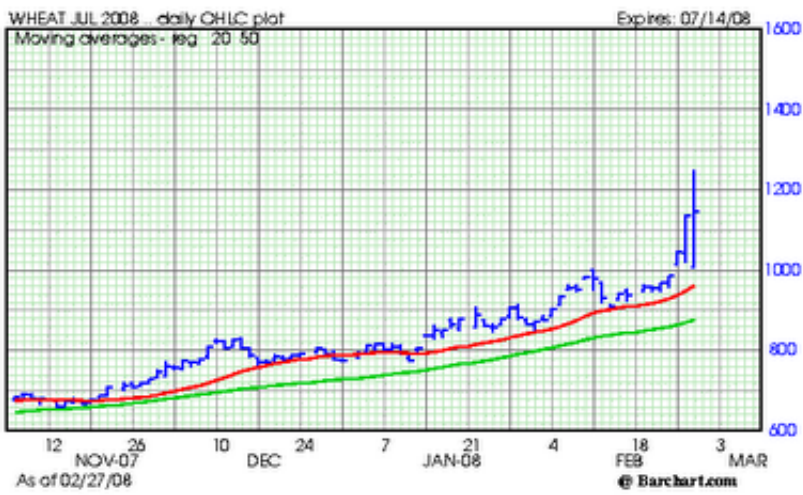
Corn



Soybeans



Wheat



Both Corn and Soybeans are up strongly since October and the Wheat curve is parabolic. Will the markets for these grains redouble? Probably not. With the summer grilling season coming soon, it may not be a terrible time to stock your freezers. Certain beef items and grades are still a deal. Upward price pressure is still evident.

Thanks!!!

Joe

Joe Dunbar

Dunbar Associates

P.O. Box 579

Fairfax, VA 22038-0579

800-949-3295

<http://www.joedunbar.com>

jdunbar401@aol.com

This article comes from Hotel News Resource

<http://www.hotelnewsresource.com>

The URL for this story is:

<http://www.hotelnewsresource.com/article31383.html>

© 1998 - 2008 Nevistas and the author.

Brought to you by Hotel News Resource

Distribute your news on our Network

See what all the buzz is about at:

http://www.hotelnewsresource.com/Info-news_account_info.html