



GLOVE MARKET

APRIL 2021 UPDATE



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DEMAND UPDATE

GLOVE DEMAND VS SUPPLY

Some glove materials have seen reversals in supply and are now more readily available, whereas others remain in tight supply.

Please check with your FoodHandler Sales Director for specific product updates.

LEAD TIME

Lead times vary drastically by material and final destination, with some seeing lead times of 6 or more months to receive containers to port. Containers at port and those being shipped across the United States are seeing further delays, some as long as an additional 3 months.

Instability of transportation is projected to last through mid-2021 or longer.



SUPPLY UPDATE

NITRILE

- Despite additional capacity and supply availability, the healthcare industry demand for Nitrile remains high and priority.
- Demand and pricing for Nitrile gloves look to remain unstable, however, trends and added capacity in Q3 may provide needed aid in shortages and backlogs to reverse instability and increased pricing.

LATEX

- Due to current pricing and demand for Nitrile, many have looked to Latex as an alternative, driving increased demand in Latex.
- As a result of this increased demand, supply has become unstable and difficult to meet the increasing demands.

VINYL/NITRILE BLEND

- Vinyl/Nitrile Blend manufacturing capacity is full in Asia with stable supply availability.
- Pricing is not projected to see any softening at this time, however, softening in the Vinyl and Nitrile markets will be monitored closely.

VINYL

- Additional capacity at Vinyl glove manufacturing plants have come on line resulting in additional supply across the United States.
- Pricing for Vinyl is seeing softening with stable supply and lowered manufacturing demand. Pricing will continue to reflect demand and is expected to move forward with flexibility.

POLY

- Poly resin (HDPE, LDPE and LLDPE) pricing is closely tied to oil prices. Oil prices remain unstable and may continue to see increases in pricing.
- Current supply in poly bags and gloves remains stable with a hopeful forecast of pricing stability in the near future.



MARKET COMMENTARY

COVID-19 VACCINATIONS & IMPACT

A COVID-19 vaccine and distribution plan is projected to be implemented globally by late Q2 and into Q3. While essential businesses and workers have begun receiving the vaccination, many in the United States (and worldwide) remain in wait with continued outbreaks and case counts.

The resurgence of COVID-19 in Northern China have again caused factory closures and a slow down in product manufacturing. Port officials, trade groups and maritime regulators have called on priority COVID-19 vaccinations for transport-related workers in the US in order to avoid further disruption to an already strained supply chain.

Vaccinations for all longshore workers, at current pace, should be complete by end of Q1, with significant progress in warehouse worker vaccinations.

As vaccination rates continue to climb, more cities and states will be re-opening their foodservice operations. With this, FoodHandler expects a surge in orders for gloves, masks, aprons, bags, etc., and has anticipated the additional need for these products. We recommend distributors work closely with their Sales Director to communicate any increased demands to ensure appropriate support of business needs.

FOODHANDLER RESOURCES

FoodHandler is dedicated to keeping you, your operation and your customers safe. Get access to resources, information, documents and signage as well as an informative FAQ available for free on our website at www.FoodHandler.com. Can't find what you are looking for? Ask our Industry Experts!





TIMELINE & PRICE PROJECTIONS

Q1 2021

- A resurgence of COVID-19 in Northern China and some areas of the United States have slowed down recovery efforts
- Severe weather conditions have impacted multiple vessels causing several containers to go overboard
- Port congestion, container, equipment and labor shortages have added strain and stress to the complete logistics landscape

PRESENT

- Prices remain above historical levels on all materials
- Vinyl/Nitrile Blend products are able to remain competitive in pricing while Nitrile supply remains volatile
- Smarter freight moving strategies aim to ease port congestion and equipment shortages, reducing overall dwell times and delays
- Restrictions within the foodservice industry will alleviate as vaccination numbers rise

2021 OUTLOOK

- Spot rates have begun to stabilize and is expected to remain relatively stable
- COVID vaccinations are projected to reach approximately half the US population by end of Fall 2021 with the aim to return to a level of normal reflective of pre-pandemic times
- Import levels in Q2 are projected to remain at or above current levels; terminal operators look to clear existing backlog before peak and holiday seasons

FoodHandler has announced a market increase April 2021 on poly and hybrid gloves, bags and covers. Any further adjustments will be based upon raw material, packaging, labor and pricing throughout the supply chain.

FoodHandler has removed all products from allocation; products will continue to be monitored and evaluated based on availability. Please speak with your FoodHandler Sales Director about additional product availability.

CAPACITY UPDATE

INSTABILITY IN CONTAINER TRANSPORT

Severe weather, container, equipment and labor shortages continued through early Q1 2021 to cause significant delays in receiving and unloading incoming vessels and their containers in a timely matter at receiving ports. Numbers confirmed that some vessels spent nearly as much time at anchor as it took to traverse the Pacific Ocean.

Massive congestion didn't stop there; such delays and impacts were also seen with transporting product across the United States.

With a lack of chassis availability and staff across the logistics landscape, rail operations saw extensive delays in transporting import cargo to its destination. Seasonal winter snowfall and icy conditions impacted nearly all corners of the US, including southern states causing intermodal networks to temporarily shut down.

PRE-PANDEMIC OPERATION ON THE HORIZON

Despite all obstacles, the industry has made every effort to move freight smarter. By targeting larger ports to unload containers and re-allocating empty containers to areas in higher need of them, we are now seeing reductions in delays, dwell times and congestion. Equipment shortages have also eased with the new allocation methods in place.

Late-Q1 has shown promise with significant turnaround towards pre-pandemic operation. Although there is still a long way to go, recent weeks have reduced anchor and street dwell times and improved efficiency to move more containers, faster.





KEY TAKEAWAYS

PRODUCT STABILIZATION

New production lines have opened to alleviate capacity issues and assist with stabilization and recovery on some glove materials. Vinyl supply has recovered and pricing will continue to reflect such stabilization.

COVID VACCINATIONS

Vaccinations are available and are being administered, however, the slow roll-out and ability to reach mass audiences, outbreaks and resurgences of the virus remain a challenge across the globe.

TRANSPORTATION RECOVERY

Despite seeing excessive obstacles, logistic solutions and smarter freight movement should begin showing reductions in dwell times and congestion.