

## Market Update Introduction

### UK KEY MARKET MOVERS (CPI)

#### Percentage change over 12 months

Oils and fats	8.3%
Sugar, jam and syrups	8.1%
Chocolate and confectionery	8.1%
Vegetables	6.3%
Bread and cereals	6.0%
Meat	5.0%
Fruit	4.7%
Milk, cheese and eggs	0.4%
Fish	-0.1%

The Consumer Prices Index (CPI) is a key measure of inflation in the UK. Movements in CPI give a high level overview of the key categories experiencing inflation. Below is a monthly snapshot of the top food commodity price inflation movements impacting the UK.

## UK Inflation Indices

Latest Inflation Figures as of April 2024*	
Foodservice Price Index (FPI) Dec	12.6%
Food Price Inflation (CPI)	5.0%
Retail Price Index (RPI)	4.5%
Consumer Prices Index (CPI)	3.4%
Producer Price Index (PPI)	0.6%

\* Source: Office for National Statistics (ONS)

### Sustainable switches

We recommend switching from beef to more cost-effective proteins like Chicken or Pork to keep cost down.

This shift not only offers financial advantages but also contributes to a more sustainable protein choice with beef having the largest CO2 emissions in comparison to other proteins.

### Dates for your Diary

- 6 Apr: National Carbonara Day
- 7 Apr: World Health Day
- 10 Apr: National Siblings Day
- 11 Apr: National Pet Day
- 12 Apr: Day of Silence
- 14 Apr: National Gardening Day
- 15 Apr: World Art Day
- 17 Apr: National Banana Day
- 20 Apr: National Look-Alike Day
- 21 Apr: National Tea Day
- 22 Apr: Earth Day
- 23 Apr: World Book Day
- 23 Apr: St. George's Day
- 24 Apr: Stop Food Waste Day
- 28 Apr: National Superhero Day
- 29 Apr: International Dance Day
- 29 Apr: World Wish Day
- 30 Apr: National Honesty Day
- 30 Apr: International Jazz Day



## Inflation Outlook

Whilst we continue to see inflation slow month on month, the biggest challenges remain – salmon prices are still high, potato quality and availability challenges are still anticipated in the coming months at least until the end of May, by this time the new season crop should start to become available.

There will be quality issues as the old crop continues to finish. Beef prices are beginning to creep up but suppliers are supporting current market movements.

## Commodity Outlook April

### Reasons to be cautious...

Ongoing volatility in commodities, driven by climate change, global supply chain disruptions and movements in energy costs and labour.

### Potatoes

Initial crop view was positive – greater yields. However, with the delay in harvest and increased rainfall this has meant the remaining harvest yields are drastically reducing. Forecasting inflation.

### Eggs

Seasonal demand for eggs is surpassing supply. Market is recovering but increased supply only expected at the end of '24. Forecasting inflation.

### Frozen Fish

Increased shipping rates due to Suez Canal conflict is pushing price of processed white fish upwards, particularly those processed in Asia. Forecasting inflation.

### Beef

Imports are down 14% YOY, with production also down in December but moved positively up 5% in January. This situation continues to keep the deadweight price elevated at all-time highs. Forecasting inflation.

### Cheese

As farmgate milk pricing has increased 2 pence per litre in the calendar year to date, the cheese market will gradually see increases as well. Forecasting inflation.

### Labour

Security & Contracted Services are indexed against key labour markets. With the April '24 NLW increase we anticipate inflation in these areas. Forecasting inflation.

### Beer, Wine and Spirits

Wine and Spirits continues to be a key driver in keeping the CPI for Food elevated due to input costs remaining high. Forecasting inflation.

## Optimistic UK Inflation

### Pork and Poultry

Pork: Softening in pricing being driven by increased imports & a slow growth in herds. Forecasting a stable & potentially deflation position – welfare standard dependant.

Poultry: Stable following a better Avian Flu season and lower input costs. Forecasting a stable market.

### Coffee

ICO is predicting a 5.8% YOY rise in coffee production with consumption only 2.2% higher. The anticipated surplus could support positive pricing dependant on timing of any coffee price hedging. Cautiously optimistic.

## Fresh Produce

### Potatoes

We are continuing to highlight potatoes as an inflation risk as both quality and potential availability challenges are anticipated for the next few months.

Due to the wet winter, harvested potatoes put into storage are deteriorating as time goes on and quality issues are often only being spotted on the inside of potatoes once they're cut open.

### Parsnips

The persistent wet weather and flooded fields has led to the crop rotting in the ground and diseases, such as canker, spreading shortening the UK season.

With imported product not likely to be ready until around the start of May, the UK is facing around a month of availability challenges.

Broccoli, Swede, Carrots and Courgettes are good alternatives to Parsnips on menus over the next month until availability stabilises.

## Dairy

Milk prices have stayed relatively steady for the past couple of months but we are starting to see slight increases in the market now due to a dip in milk production in January, brought on by the wet weather. The returns for dairy products in the EU are contributing to the slight price upturn.

We are now coming into the spring flush, which refers to a seasonal boost in milk production during spring linked to the reproductive and lactation cycles of dairy cows. With longer days and better weather, cows graze on nutrient-rich pasture, enhancing their milk production. and the extent of the spring flush production should have a positive impact on milk prices in coming months.

## Meat and Poultry

### Beef

Cattle numbers are down since the same time as last year which has firmed some prices on cuts like topside, silverside and roasting joints across the board.

There have been some downward pricing on the forequarter cuts like beef trim for mince, diced and braising steaks as the demand since winter has slowed down.

Products like steaks will increase as the warmer weather improves and eating habits change to lighter meat menus and demand swaps to steaks and burgers.

### Pork and Gammon

Availability has been good since the new year, and this has allowed cost prices to remain stable – cuts like loins and belly are really good value.

We expect no movement in pork pricing over the coming months.

### Chicken and Turkey

Forecast on supply and availability could tighten up with Avian Flu still a threat in Poland (who are the largest producer of Chicken to the UK market).

Prices have moved up recently but hasn't been passed to the catering sector so far – hopefully, this supply will improve by end April and help on prices being more affordable.

Turkey demand has been reasonable lately and expected to increase with the Easter demand mainly increasing with the UK retailers increasing – price should be stable.

### Lamb

Pricing is very expensive now and availability is poor as new season Spring Lamb numbers are not coming onto the market currently, wholesale prices are also expensive and will be until more lambs become available.

Imported Lamb from New Zealand and Australia have been good with leg products being imported to supply demand on the wholesale and retail market.

## Fish and Seafood

### Salmon

Farmed Salmon has reached a very high price and likely to increase further in the coming months due to scarcity in supply chain from delayed growth in pens.

### Halibut

Farmed Halibut supply, particularly in the larger sizes, has struggled to meet demand. Farms are not seeing the fish grow and this will likely lead to continuous rises in price.

### Mackerel

The Mackerel season in the southwest will be delayed this year due to cold weather. Prices will continue to rise until fish migrate up in late spring.

### Cod and Hake

Cod and Hake prices have reduced again as normal fishing patterns return. As a result, we recommend chefs put these species on menus before the fish begin to spawn next month which will lead to prices increasing again.

## National Fishing Remembrance Day

The first national fishing remembrance day has been announced on World Fisheries Day. Maritime welfare charities have joined forces to support a new annual National Fishing Remembrance Day for those who have lost their lives while fishing at sea.

The first National Fishing Remembrance Day will take place on Sunday 12 May 2024.

Fishing to catch, and bring to land, our much needed seafood is still one of the most dangerous jobs in the UK with recent tragedies at sea occurring in north east Scotland in September and off the south coast of England in October 2023.

### Any questions?

Please contact your Account Manager if you have any questions about this month's news.

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