EF-group

Market Update May 2024

Keeping you up-to-date with key market information.

Market Update Introduction

UK KEY MARKET MOVERS (CPI)

Percentage change over 12 months

Sugar, jam and syrups	8.0%
Chocolate and confectionery	8.0%
Oils and fats	6.6%
Vegetables	6.6%
Bread and cereals	4.0%
Fruit	3.6%
Meat	3.1%
Milk, cheese and eggs	0.3%
Fish	-2.2%

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	12.0%
Food Price Inflation (CPI)	4.0%
Retail Price Index (RPI)	4.3%
Consumer Prices Index (CPI)	3.2%
Producer Price Index (PPI)	0.3%

** Source: Office for National Statistics (ONS)*

Sustainable switches

Due to recent developments in the Pig market with EU prices starting to rise and UK prices remaining stable, this presents an opportune moment for our clients to transition towards sourcing from UK suppliers.

By prioritising UK supply, clients can contribute to the local economy, reduce carbon emissions and support sustainble farming practives.

Dates for your Diary

20 May: British Sandwich Week
20 May: World Bee Day
20 May: Vegetarian Week
21 May: National Bike to Work Day
23 May: World Turtle Day
24 May: National Scavenger Hunt Day
25 May: National Wine Day
27 May: British Tomato Fortnight
27 May: National BBQ Week
27 May: Memorial Day
27 May: Spring Bank Holiday
28 May: International Burger Day
29 May: National Flip Flop Day
29 May: National Biscuit Day
30 May: National Creativity Day
31 May: World ‘No Tobacco’ Day
31 May: Heat Awareness Day

BRITISH SANDWICH WEEK 20-26 MAY 2024

Inflation Outlook

Whilst we have seen inflation slowing in recent months, it is worth re-iterating again that we are still in an inflationary environment and face ongoing product availability challenges.

Availability continues to be a growing concern and wet weather in the UK has impacted the supply of Potatoes and Root Vegetables. In addition, it's also impacting pricing on Spring Greens, Monkfish and Milk.

EF-group are continuing to monitor market conditions and take proactive measures to limit the impact on the business.

New Port Health Trade Agreement Checks 30 Apr

Suppliers of fresh food who send into the UK now need an export declaration, Health certificate and customs agents in the UK working on their behalf. And none of them now want to send to the UK with all this additional paperwork and costs! Last year the rules were relaxed, and it was easy to import into the UK. The checks are to improve biosecurity and prevent outbreaks of foot and mouth and swine fever...

Meat, Dairy, Fruit & Vegetables, Flowers, Plants, and seeds will be affected mostly - the government have forecast that it will cost UK businesses **£330m** per year.

Dairy

GB milk deliveries are estimated to have totalled 1,073 million litres in April 2024 with an average of 35.8 million litres per day. This would mean a decline of 2.0% year on year.

Exceptionally wet conditions throughout the Autumn, winter, and spring, teamed with a cooler than average second half of April have held back production with all expectations pointing to a spring flush that is well below average. Until the end of March grass growth according to AHDB's Forage for Knowledge tool was in line with the 5 year average.

However, since then ongoing above average rainfall and cool conditions have seen grass growth well below the seasonal average with the grass growth rate in kg of DM per hectare sitting at 40.3 compared to the 5-year average of 57.7.

Grass utilisation will have been a problem for many with the wet precluding much turnout for most, barring those on the lightest of soils.

This could cause difficulties right through the season with farmers unable to get on to conduct usual groundwork activities until later in the growing season causing future issues for silage making.

Fish & Seafood

Haddock stocks are under pressure due to Biden's recent ban on all Russian-origin fish. This has intensified demand for Norwegian haddock from the US market. We recommend avoiding Haddock on menus for now.

The ongoing annual fishing ban from 1 Feb to 31 Mar aimed at stock preservation has led to soaring prices for Sea Bass. With no fresh wild-caught available, the market has shifted towards frozen farmed options, resulting in inflation throughout fresh and frozen.

Current market conditions have resulted in significant price hikes for Cornish Monkfish. Adverse weather conditions, including high winds and cold weather, have disrupted landings, contributing to supply-driven inflation in the market.

Coley prices are notably low, presenting an excellent alternative to the rising cost of Haddock. Additionally, Mackerel prices are declining as fishing patterns return to normal, offering a further cost-effective option.

Fresh Produce

The situation regarding potatoes isn't showing any signs of improvement. We have had multiple supplier increases over the past few weeks due to lack of good quality potatoes. Were not expecting to see improvement until early August.

Carrots have been difficult since the end of the UK Season at the start of April. The new season is delayed due to the amount of rainfall in the UK and farmers are struggling to get into the fields to pick. We are hoping this will begin in June but there is no confirmation from growers yet. We are currently working Chinese and small amounts of Spanish.

Quality is very good for salad for the start of the Dutch season and will continue to improve as we progress. Prices are quite high at the minute but we expect this to start to come down as we go into June.

Prices are remaining quite high for melons and pineapples due to the issues with sea freight at the minute, however, quality is good.

Cauliflower has had a difficult few weeks due to the rainfall in France, it's very small and shelf life is poor. Price is extremely high so we would recommend switching to Broccoli which is Spanish and good quality. The full switch to UK Broccoli should by the end of June.

At present we have English Asparagus which is fantastic quality and plentiful. British Strawberries have now started and we should see Raspberries, Blueberries and Blackberries in June.

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Meat and Poultry

Food inflation is slowing down which is helping with cost prices being stable recently compared to 12 months ago.

Beef

UK beef remains expensive this year as demand across the supply chain is strong this year.

As we move towards summer, topside, silverside, top rumps should be cheaper, grilling steaks like rump, sirloin, rib eye will see price increases as seasonal demand goes up.

Imported beef still represents excellent value across all cuts as can save money and margin for chefs who need to meet budgets.

Pork and Gammon

Currently the quality of UK and Imported pork are good and offer excellent value.

Popular cuts like loin and leg are so easy to use in kitchens as portion controlled by the butchers or cut by the chef to their menu choices.

Value cuts like shoulder and belly pork can help to improve margins when used as specials on menus.

Bacon & Gammon: prices are stable since Easter with the most popular choices being back bacon and gammon steaks / joints.

Chicken and Turkey

Chicken, turkey & duck availability has been good since Easter and prices have not really changed.

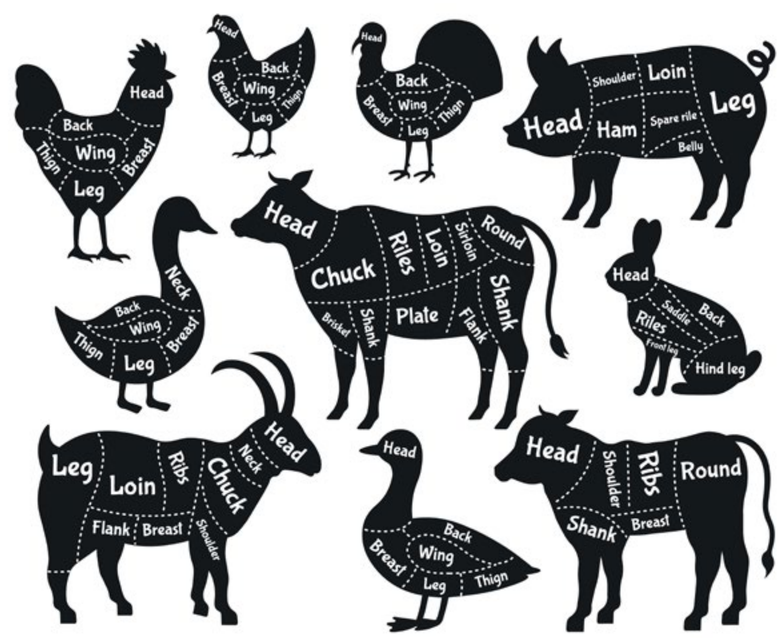
In May prices and supply are usually firm as there are several bank holidays in Holland (who are a main producer of chicken fillets to UK) and this does effect availability, and prices tend to be slightly higher than April.

Turkey represents good value as its one of the cheaper proteins that can used as roasts, escalope's, diced or stir fry.

Lamb

Lamb quality is particularly good now with UK new season lamb now available, but prices are expensive and will be until we see more stock coming onto the market in May / June.

Imported lamb is the cheaper option for chef's menus. Best value cuts are shoulder for roasting or slow cooked.



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

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