

Market Update Introduction

UK KEY MARKET MOVERS (CPI)

Percentage change over 12 months

Milk, cheese and eggs	-0.2%
Oils and fats	9.2%
Breads and cereals	0.2%
Vegetables	2.1%
Meat	0.7%
Sugar, jam and syrups	5.1%
Chocolate and confectionery	5.1%
Fish	-4.2%
Fruit	2.7%

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 July 2024*	
Foodservice Price Index (FPI) June	3.6%
Food Price Inflation (CPI)	1.5%
Retail Price Index (RPI)	3.6%
Consumer Prices Index (CPI)	2.2%
Producer Price Index (PPI)	0.2%

* Source: Office for National Statistics (ONS)

Fish and Seafood

Mackerel is a great catch this month, with excellent quality and value, but it won't be in season for long. Looking ahead, British Shellfish will hit peak season from September through the winter, so be sure to include them on your menus in the coming months.

Beef

Consider switching Beef to more cost-effective proteins such as Chicken or Pork. We also recommend adjusting menus to feature more cost-effective cuts of Beef.

Fruit and Veg

UK sourced root vegetables are at their best as we transition into Autumn; promoting locally sourced carrots, parsnips and swede will also ensure food miles can be minimised as we transition season.

Dates for your Diary

- 1 Oct: World Vegetarian Day
- 1 Oct: International Coffee Day
- 3 Oct: National Carrot Day
- 7-13 Oct: National Porridge Week
- 7-13 Oct: National Curry Week
- 11 Oct: World Egg Day
- 14-20 Oct: National Baking Week
- 16 Oct: World Food Day
- 20 Oct: International Chefs Day
- 21 Oct: Apple Day
- 22 Oct: National Nut Day
- 25 Oct: World Pasta Day
- 27 Oct: National Cheese Toastie Day
- 31 Oct: Halloween



Inflation Outlook

Food prices continued to stabilise over the summer with annual food and drink inflation easing to 1.3% in August – the lowest rate since September 2021. Whilst political and economic factors are driving less volatility into commodities, prices remain high with food markets carrying a legacy of recent cost inflation. At a commodity level the picture is mixed with notable category movements include olive oil +37% and cocoa +19% YoY.

Moving into Autumn, it's a perfect time to promote local and seasonal sourcing with great availability in native fish and seafood species and winter fruit and vegetables.

Fresh Produce

After the shortfall of potatoes during the 23/24 season we've all been anticipating the start of the new crop. Unfortunately, early estimates predict yield reductions of around 8%. Initial plantings were problematic due to a shortage of seed with subsequent weather conditions delaying plantings. Heavy and constant rainfall, in addition to poor soil conditions also prompted significant quality issues with extensive blight impacting the crop – this has included the evolution of new strains requiring bespoke management and driving additional cost and complexity into the supply chain. Whilst growing conditions recovered towards the end of summer, we'll get a better picture of overall quality and availability once all crop is lifted.

As we transition to Autumn the new UK season begins for carrots, parsnips and cabbage amongst others, there's a great opportunity to promote UK provenance and local sourcing.

We will see availability slow on some crops; tomato volumes have dipped however winter crops from Spain and Morocco will be supported across all varieties across the next couple of weeks.

Similarly, availability of Class 1 peppers and leaf has decreased, though Class 2 remains abundant and with the beginning of the Spanish season all volumes will be restored.

Dairy

The upward trajectory on milk prices continued into September with processors remaining nervous about milk supplies. Milk deliveries are running around 1% down year on year since July – forage conditions have been sub-optimal with slow grass growing conditions into August and potential quality issues on winter forage (increasing dependency on bought in proteins, incurring additional cost).

Tightening milk supplies have impacted supplies of other dairy products, however imports, primarily from EU but also NZ following the trade deal, have boosted availability. With exports for cheese, yogurt, milk and cream growing year on year this has also supported pricing on these commodities.

Fish & Seafood

Salmon

Quality and availability is good with fish benefiting from warmer waters. We do expect that processors will take advantage of seasonal price reductions and start freezing down fish to fill inventories ahead of the Christmas seasonal demand. This will support pricing as we move into Autumn, however all varieties of trout remain a great alternative to mitigate price increases.

Flat Fish

This is a great time of year for plaice and lemon sole; yields are at their best now and we should see good landings across the UK. There are also some great sustainable choices when it comes to flat fish varieties so also worth visiting the MSC good fish guide for more information.

White Fish

With the new Icelandic quota season starting in September, Cod landings will increase. Whilst this should put downward pressure on pricing, the expectation that further Barent Sea cod quota reductions will be implemented in 2025 may temper price reductions. Haddock landings will also increase as the Icelandic fleet fishing recommences supporting price reductions and potentially offering better pricing stability for menu planning. Hake has had an incredibly volatile year both in terms of availability and price – whilst Coley is lesser known, year-round availability, coupled with great value and strong sustainability credentials mean this could offer a great alternative for menu planning.



Meat and Poultry

Beef

Moving into Autumn, beef pricing is supported by strong demand coupled with reduced cattle numbers. We'll see a shift in demand across products as seasonal trends impact buying behaviours.

Roasting joints are still good value and make a healthy option when served with all the trimmings. Lean red meat still offers the most vitamins, minerals, and iron to customers menus.

Mince beef is such a versatile product and can be used in many dishes. It still represents being great value to chefs who are on tight budget controls.

Pork

Prices have been steady now which is good for chefs and customers alike and the market has benefited from good availability and subdued demand.

Boneless loins are always good value and so easy to cook and portion control – low in fat when served without the crackling!

Pork leg prices are reasonable and offer good value – great for roasting, dicing, pork escalope, mincing pork for burgers, or using in Bolognese dishes.

Lamb

Lamb prices remain high due to firm export demand to France, Italy, and Belgium.

Best value cuts are shoulder for roasting and minced lamb, with most competitive pricing coming from imported product.

Chicken

Chicken fillet sales have been high during the summer months, however availability has been good and supply chain disruption due to Avian Influenza has been minimal.

The revised border controls implemented at the end of April have seen a slight reduction in EU numbers, however EU product still remains more competitive than UK.

Continued reduction in UK stocking densities is likely to maintain a premium on UK product.

Turkey

Turkey breast joints and steaks sales have been good even during the warm weather months.

Prices are considerably cheap and are a healthy meat to use for your customers, but we will see pricing increase when we enter the Christmas period.

Diced turkey breast is easy to use and can be marinated to offer many flavours of the world.




Any questions?

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

 0161 337 9154

 nationalaccounts@ef-group.co.uk

 ef-group.co.uk

 Willow house
Orbital 24
Oldham Street
Manchester
M34 3SU