

# Market Forecast

FOR THE HOSPITALITY AND CATERING INDUSTRY



Lynx Purchasing lynxpurchasing.co.uk

Autumn 2023

## SHOW SUPPORT FOR BRITISH PRODUCERS

The Government has indicated its support for a requirement for supermarkets to have a Buy British section, which would display British produce in a way that makes it easy for consumers to show their support for the nation's farmers and producers.

Whether or not the proposal will ever find its way into law is one thing. Supermarkets have a track record of lobbying hard to resist regulations which tell them how to run their businesses, including how they should display or market products.

What the proposal does show is that politicians from all parties recognise that there is huge consumer goodwill for supporting the British food and drink sector, which is something that hospitality operators should be factoring into menu planning.

The latest economic indicators and forecasts show the overall rate of inflation will continue to fall over the next year, and in foodservice, while there are still some very volatile product areas, overall the sector is now in a period of 'disinflation' which means that the rate at which prices rise is slowing down.

Of course, that's not the same thing as prices coming down. The double digit increases that operators have had to deal with over the past two years are now bedded in, and those prices won't be going back down.

In buying terms, one way to manage potential price increases, and reduce the impact of supply chain disruption, is to source as close to home as possible, and to buy produce when it's at its best in terms of quality, yield, value and



### BRITISH PRODUCE



availability. That dovetails very neatly with consumers' willingness to support British food and drink producers - so promote British produce on your menus.

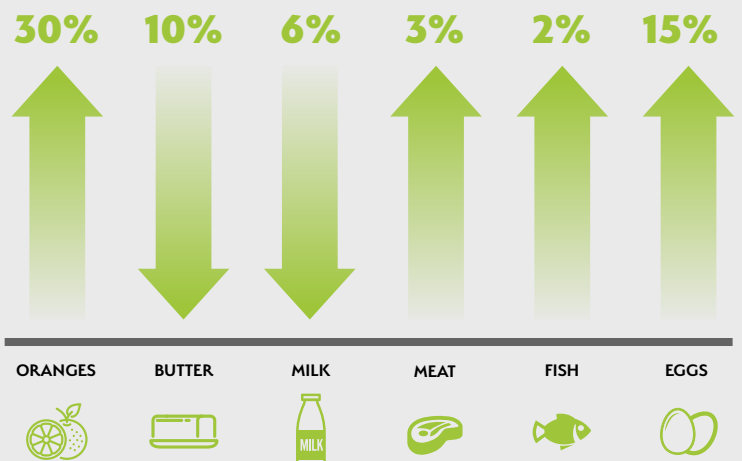
As the peak trading period in the run-up to Christmas looms, operators who can spotlight British produce have an opportunity to make their menus stand out as everyone competes for customer spend, as well as give them a reason to come back out in 2024.

## THE LYNXOMETER

Our basket of the most commonly delivered items in autumn 2023 is

# UP 7%\*

\*Compares basket prices from September 2022 with September 2023





## BEEF



With cattle prices high, demand from hospitality for prime steak cuts and roasting joints is pushing up costs. Cuts such as feather blade, flat iron and beef daube are also in demand, but still represent better value.

**Keep menu descriptions flexible and switch between the best value cuts.**



## TURKEY



High demand from supermarkets for turkey, including Red Tractor birds, means supplies available to hospitality for the peak Christmas season will be limited. The collapse of the Black Sea grain agreement between Russia and Ukraine is likely to increase the cost of feed for both turkey and chicken.

**Plan early and agree order levels with suppliers as soon as possible.**



## SALADS



Salad supply normally moves to Mediterranean producers for the autumn onwards. The exceptionally high summer temperatures in Europe mean that many salad crops have had to be replaced and regrown, which in turn will lead to higher prices.

**Use salad sparingly in garnishes and accompaniments.**



## ONIONS



The wet summer has made harvesting UK onions a challenge this year as they are very muddy. This is likely to have a knock-on effect on both imports, and pre-made products that use onions in the recipe.

**Use a range of veg in dishes according to availability.**



## WINE



Although the wet summer affected the grape harvest in some European regions, recent reports that France has had to destroy more than 80 million gallons of wine in order to shore up prices, shows there is a surplus overall.

**Keep wine lists flexible and work with suppliers to make the most of availability.**



## FISH

White fish is better quality in the autumn as sea temperatures cool, with British-caught species such as monkfish, hake, and lemon sole offering sustainable alternatives to cod and haddock. Mussels are back in season, and also offer a good value, sustainable local option. Prices for farmed fish, including salmon, have come down for autumn but will see their usual peak towards Christmas, and some concerns about quality remain.

**Consider alternatives such as sea bass and sea bream for Christmas menus.**



## OLIVE OIL

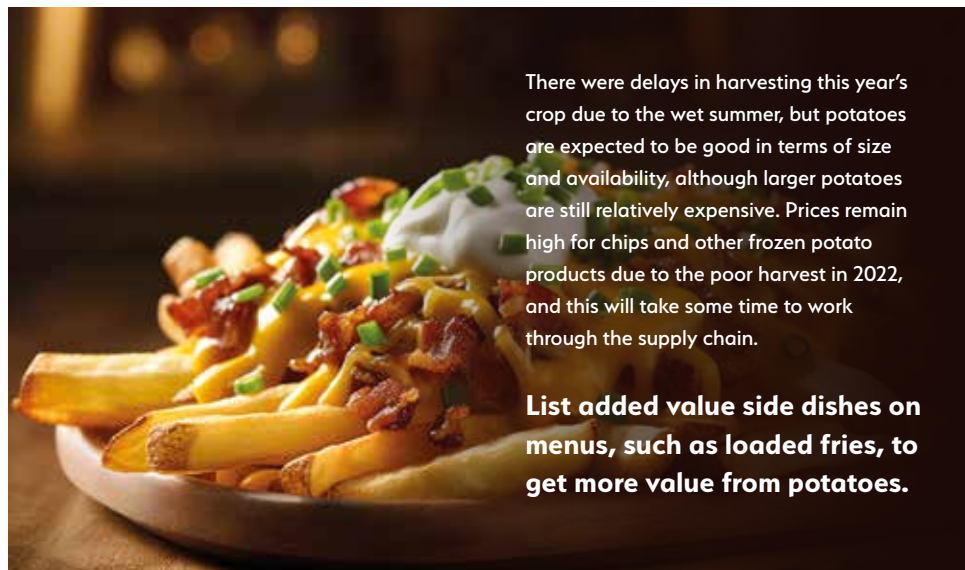


The extreme heatwave in Europe this summer has affected yields of olive oil from Spain, Italy and elsewhere. Prices have reached the highest levels ever recorded, and demand is likely to exceed supply.

**Switch to alternatives such as UK rapeseed in dressings and recipes.**



## POTATOES



There were delays in harvesting this year's crop due to the wet summer, but potatoes are expected to be good in terms of size and availability, although larger potatoes are still relatively expensive. Prices remain high for chips and other frozen potato products due to the poor harvest in 2022, and this will take some time to work through the supply chain.

**List added value side dishes on menus, such as loaded fries, to get more value from potatoes.**



## RICE



Lower-than-usual global stocks of rice has caused prices to rise, and India's recent decision to severely restrict exports in order to meet domestic demand will have a significant impact on availability.

**Offer choices such as quinoa and couscous as main course accompaniments.**



## CHEESE



Commodity prices have come down this year, which makes both cheese and other pre-made products which use it, better value.

**Make cheese a feature in recipes, as well as offering a premium cheeseboard on menus.**



## PACKAGING



Prices of both plastic and paper have fallen as energy prices reduce. While packaging only has a marginal impact on the overall cost of food and drink, it all helps!

**Consolidate orders to get the best value from suppliers and minimise packaging waste.**



## ORANGE JUICE

Global orange juice prices have seen a sharp increase due to production issues in Brazil as well as the impact of high temperatures in Europe.

**Offer a broader range of juices in breakfast and cocktail menus.**



## Menu Watch

- Operators are targeting incremental customer spend by adding a wider choice of starters and desserts to menus, says research by Lumina Intelligence. A trend for indulgence is seen in more cheese-based starters, while novel 'afters' such as dessert pizzas are gaining market share.
- Cash-strapped consumers are tipping less in 2023, according to analysis by payments company Dojo. The average tip was down 7% to £5.60 in the first half of the year, compared to 2022. Wales has the most generous tippers, while Londoners are least likely to tip.
- Consumers are also paying more attention to what they order at lunchtime, as they look for better value, report major sandwich manufacturers. While standard meal deals are still popular, lunchtime takeaways increasingly include products such as premium sandwiches made with speciality breads, as well as sushi and salads.

## Inflation

The overall rate of inflation fell to 6.7% in August, down from 6.8% in July. Food inflation was 13.5% year-on-year, with steep increases for certain products including pork (23.1%), oils and fats (20.7%) and eggs (21.3%). The cost of restaurant meals rose 8.8% year-on-year, with takeaways up 9.7%.

## Seasonality Guide

### BEGINNING OF SEASON

- Brussels Sprouts
- Oysters
- Venison

### IN SEASON

- Squashes
- Apples
- Peas
- Mussels

### END OF SEASON

- Soft Berries
- Peas
- Courgettes



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Lynx Purchasing works with more than 2,200 accounts in the hospitality and catering sector, on a no membership and no contract basis that offers better value products and services than operators could obtain by negotiating alone.

📞 01325 710143    ✉️ hello@lynxpurchasing.co.uk

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