

# Market Forecast

FOR THE HOSPITALITY AND CATERING INDUSTRY



Lynx Purchasing lynxpurchasing.co.uk

Spring 2024

## HOPE FOR THE BEST – BUT PREPARE FOR VOLATILITY

The 'lights are flashing red' on the global security dashboard, warned Foreign Secretary David Cameron recently. In addition to the conflict in Ukraine, global supply chains are now having to factor in the situation in the Middle East, including the attacks on shipping in the important Red Sea trading routes. Some food suppliers have warned that this could disrupt supplies through the Suez Canal, and suppliers of bulkier items such as catering equipment are already advising of delivery delays.

Closer to home, enhanced border checks on some imported food and drink were introduced at the start of February, as part of post-Brexit trading arrangements. A working group representing organisations such as the Fresh Produce Consortium and Chilled Food Association has warned that the new arrangements, due to become more stringent in April, are likely to affect both price and availability. Blockades and protests by European farmers also have the potential to affect supplies into the UK.

Climate change continues to have an impact too, with many crops around the world affected by extreme weather events. Freezing temperatures and January's heavy storms are also expected to affect some UK crops.

Both global and local volatility have the potential to lead to price rises and shortages of key commodities, and hospitality and catering operators would be wise to factor this into their planning for 2024. There is some good news, however. Food and drink prices are currently experiencing disinflation with prices continuing to rise but at much lower rates than in the past two years.



The most realistic approach is to hope for the best, and prepare for the worst on the basis that inflation is expected to continue to fall overall, with some product areas facing shortages or price hikes. The best advice is to plan menus around products that can be sourced in the UK or close to it, and to buy seasonally, when produce is at its best in terms of quality, value and availability.

One way operators can offer a point of difference to customers is to focus on buying the best quality seasonal produce wherever possible, which supports British producers and helps to reduce food waste. Lynx Purchasing is working with a range of operators to develop this competitive buying strategy.

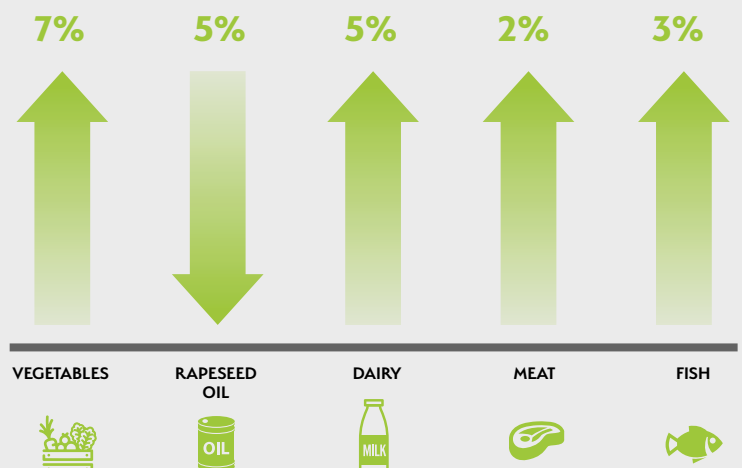
Great produce is available for operators willing to seek it out, and to pay a fair price for a quality product. You won't see quality on your purchasing spreadsheet, but we believe it can make the difference in a market where consumers need to be given good reasons to choose to eat out.

## THE LYNXOMETER

Our basket of the most commonly delivered items in spring 2024 is

# UP 5%\*

\*Compares basket prices from February 2023 with February 2024





## BEEF



Demand for beef from both retail and hospitality is keeping cattle prices high, with significant demand for premium cuts such as steaks and roasting joints from top-end restaurants keen to add a point of difference to menus. Cuts such as feather blade, flat iron and daube will be better value for many operators.

**Work with suppliers to spotlight the best value beef cuts on menus.**



## FRESH VEG



The very wet weather and flooding experienced in many parts of the UK over winter have affected a range of crops in terms of both yield, and the costs of harvesting. This will have an impact on fresh veg availability for some months to come, with produce such as carrots, onions and the spring crop of new potatoes likely to be affected. Better options include broccoli, and red and white cabbage.

**Use 'served with fresh, seasonal vegetables' as a menu description.**



## POULTRY



The RSPCA has launched a new campaign to highlight the welfare issues related to factory farmed chickens. This is likely to heighten consumer concerns, with demand for Red Tractor chicken already greater than the supply. Meanwhile, rising global shipping costs will have an impact on the price of frozen poultry products, although this will be short-lived if the Red Sea crisis is resolved.

**Offer free-range chicken on menus to tap into consumer concern about animal welfare.**



## COOKING OIL



The ongoing conflict between Ukraine and Russia is expected to keep sunflower oil prices high, while the olive crop was impacted by the hot weather in Europe last year.

**Consider alternatives, such as rapeseed or corn oil. Lock in a contract price if the deal works.**



## DAIRY



After a period when dairy prices fell in real terms, costs are now rising again. This will affect the price of butter and cream, as well as many packaged and frozen products that use butter and cream in their recipes.

**Use dairy alternatives in recipes wherever practical.**



## FISH

Salmon prices increased sharply at the start of the year as suppliers passed on increased production costs. Prices are likely to remain high throughout the spring and other farmed species may be better value and quality. Due to changes in the sustainability ratings of many wild-caught species, operators should be working closely with suppliers to plan spring menus. Frozen fish and processed fish products will be affected by high supply costs.

**Use specials boards and 'catch of the day' descriptions to make the most of changing availability.**



## LAMB



There has been strong demand for lamb shanks across the winter, and as spring approaches, roasting joints will see an increase in orders, particularly in the run-up to the Easter weekend. Lamb prices are generally high due to strong global demand, making it a premium menu item.

**Feature lamb dishes on specials boards to encourage customers to trade up.**



## FRUIT



Citrus fruit such as oranges and pink grapefruit are good quality, but prices may be affected by generally higher transport costs as a result of global instability. Dessert and eating apples remain good value.

**Offer a classic dessert such as apple crumble, served with ice cream or yoghurt.**



## SALAD

The extreme hot weather in much of Europe last summer and autumn severely affected salad crops, and many growers and suppliers are still playing catch up. Prices are likely to remain fairly high until UK salad crops start to become more widely available in late spring.

**Use salad garnishes carefully, and monitor plates coming back to adjust portion sizes where needed.**





## WINE



The extreme hot weather in Europe last summer caused problems for the grape harvest, with a knock-on effect on wine prices. New World wines have better availability, but are likely to be affected by higher shipping costs.

**Talk to suppliers and change the wine list regularly to reflect best value.**



## HOT DRINKS

Coffee and tea, as well as fruit and herbal teas, all saw high levels of inflation up to last autumn. However, prices have stabilised quickly, and a hot drinks menu can offer good customer value.

**Check prices against products of comparable quality, and be ready to switch suppliers if needed.**



## Menu Watch

- While plant-based cooking is nothing new, Square Meal reports that more restaurants than ever are creating menus that celebrate the versatility of veg. It expects 2024 to see less focus on dishes that are direct substitutes for meat, and more emphasis on the flavour and quality of fresh produce.
- The traditional lasagne could be one of the hottest menu trends this year, according to Restaurant online. The classic Italian dish has been moving up the rankings on menus, with many chefs keen to spotlight their own take on the basic recipe.
- Caribbean dishes are a menu trend to watch. Research shows that while 22% of consumers already eat Caribbean cuisine, double the amount, 44%, would be very happy to give it a go if it were more widely available. Expect to see more restaurants offering jerk seasoning with chicken, pork and fish, as well as spicy rice, beans and peppers as accompaniments.

## Inflation

The headline inflation rate for January 2024 was stable at 4%. The cost of restaurant meals was up 8.1% year-on-year, with takeaway meals up 7.8%, suggesting operators are still passing on recent cost increase to customers.

## Seasonality Guide

### BEGINNING OF SEASON

- Crab
- Mackerel
- Watercress

### IN SEASON

- Jersey Royal potatoes
- Asparagus
- Rhubarb

### END OF SEASON

- Venison
- Root veg
- Winter Squash



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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.

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