

July 2024

### UK Key Market Movers (CPI)

The Consumer Price 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. The data is from Office for National Statistics (ONS).

| Item  | Percentage Change over 12 months |
|---|----------------------------------|
| Milk, Cheese and Eggs                           | -1.6%                            |
| Oil and Fats                                    | 9.7%                             |
| Breads and Cereals                              | 0.5%                             |
| Vegetables                                      | 2.7%                             |
| Meat  | 0.9%                             |
| Sugar, Jam, Syrups, Chocolate and Confectionary | 3.8%                             |
| Fish  | -2.1%                            |
| Fruit   | 1.6%                             |

### Fish and Seafood

Prices remain stable in comparison to June. This is largely due to British fisheries operating at full capacity, ensuring a consistent supply and preventing significant price fluctuation.

Prices for salmon are expected to remain stable following Norwegian farms releasing improved quantities of stock.

### Meat and Poultry

Due to limited availability in the pork market, it was expected that prices would increase over the summer months. However, poor summer weather with heavy rainfall has limited demand during the BBQ season, causing prices to remain stable.

A volatile global market and policy changes have continued to place pressure on the sector. Total cow slaughter for 2024 is expected to reduce by 1% from 2023. This alongside further expected slaughter reductions in 2025, may support higher prices. In the past year, beef demand has declined due to the cost-of-living pressure, but with softening inflation demand may increase due to a return of dining out.



### Fruit and Veg

The potatoes market continues to face challenges. In the UK, roughly one million tonnes demand shortage. Quality issues are also prevalent especially in smaller potatoes.

With parts of Britain seeing the total average monthly rainfall within the first week of July, strawberries are not coloring up quickly enough to meet demand, leading to supply issues.

There is a limited availability of Granny Smith Apples due to an early end to the Northern Hemisphere season and low volumes from Southern Hemisphere regions. This is expected to take place till September.



### Dairy

Milk production has declined earlier than anticipated, creating fear of milk shortages. This has led to a significant increase in butter prices which are now up 30% year to date, nearing the record highs seen two years ago.