

January 2025

### 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	1.5%
Oil and fats	9.7%
Breads and cereals	0.5%
Vegetables	2.7%
Meat	0.0%
Sugar, jam, syrups, chocolate and confectionary	7.2%
Fish	-3.3%
Fruit	3.7%

### Inflation Figures

The Consumer Prices Index (CPI) rose by 2.5% in the 12 months to December 2024, down from 2.6% in November, highlighting that we are still in an inflationary market year on year. Food and non-alcoholic beverage prices rose by 2.0% in the year to December, unchanged from November. The Foodservice Price Index in November fell slightly to 2.0% from 2.2% in October.

The Retail Price Index (RPI) is now 3.5% vs 3.4% last month up 1% while the Producer Price Index (PPI) is now at 1.9%, up 0.1% from November.

Latest Inflation Figures as of December 2024*:	
Foodservice Price Index (FPI) in October	2.0%
Food Price Inflation (CPI)	2.0%
Retail Price Index (RPI)	3.5%
Consumer Price Index (CPI)	2.5%
Producer Price Index (PPI)	1.9%

\*Source: Office for National Statistics (ONS), Trading Economics

### Fish and Seafood

Salmon prices have been rising since late last year, driven by high Christmas demand and adverse weather conditions. Cold weather exacerbates the situation by slowing salmon growth and causing winter sores, further reducing the availability of high-quality fish. Prices typically peak around April before starting to decline. For now, continue to buy Chalk Stream Trout as a British and sustainable alternative.

The whitefish market, particularly haddock and cod, is under significant pressure due to quota reductions. Haddock quotas are down 20%, with a total allowable catch of approximately 330,000 metric tons. Supply challenges are likely to persist. A viable alternative is Alaskan pollock, a sustainable whitefish option that provides cost advantage and enhances sustainability, with an improved MCS rating of 1 compared to the 3 rated haddock.

The skrei cod season, which runs from January to April, is an opportunity to feature high-quality, sustainably sourced cod on menus. It's a standout option for this time of year and a great way to promote sustainability.

### Cocoa

Ghana, the world's second-largest cocoa producer, received below-average rainfall in December, posing a threat to the cocoa crop. As a result, Ghana lowered its 2024/25 cocoa production forecast to around 617,500 metric tons, due to the recent lack of rain and the recent dry harmattan winds. Although this is an improvement over the low 2023/24 output, it remains below the five-year average. Similarly, dry weather impacted cocoa pods in the Ivory Coast.

These two countries represent 50% of global cocoa exports, and recent weather challenges are believed to have contributed to the price rally in December, following already record-high prices earlier in 2024.

### Fruit and Veg

**Shipping delays** - storms and poor weather conditions over the festive period increased shipping delays. These delays are expected until the end of January as ports catch up following congestion. Lines impacted include limes, easy peelers, melons and grapes however, most of the produce has now arrived so we are not expecting any significant availability issues.

**Potatoes** - supply remains steady with no major availability issues. There are likely to be some challenges on salad potatoes and large bakers due to the lack of carryover stock creating shortages and limited growing time. We anticipate seeing this in the market until around March/April.

**Brassicas** – cooler temperatures in Spain and freezing conditions in the UK are challenging for growers as it slows the crop growth. This can result in availability challenges. Spring greens is currently the main area of concern which could face challenges in the next few weeks due to these weather conditions.

**Lettuce** – low temperatures in Spain have caused some issues for growers.

Carrots, cauliflower and butternut squash are good alternatives to potatoes. Focus on seasonal produce, such as root vegetables, as opposed to spring greens such as lettuce.

### Meat

Recent reports confirmed a detection of Foot and Mouth Disease (FMD) in a water buffalo herd in Germany. Whilst this is a serious and highly contagious disease, particularly for pigs, containment measures are already in place. European authorities have introduced precautionary import bans and restrictions.

These developments could add pressure on supply via other European pork producers, including the UK, potentially tightening supply and impacting prices over the coming months.