

## 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	3.7%
Oil and fats	1.8%
Breads and cereals	4.3%
Vegetables	2.3%
Meat	6.6%
Sugar, jam, syrups, chocolate and confectionary	11.9%
Fish	0.4%
Fruit	2.1%

## Inflation Figures

The Consumer Prices Index (CPI) rose by 3.6% in the 12 months to October 2025 down from 3.8% in September. On a monthly basis, food and non-alcoholic beverages prices rose by 0.5% in October 2025, compared with a rise of 0.1% a year ago. Five of the eleven food and non-alcoholic beverage categories contributed a small upward impact on the overall rate (bread and cereals; meat; fish; vegetables including potatoes; and sugar and confectionery). Fruit, however, had a small downward effect. Prestige, who produce the FPI, reported a sixth straight month of month-on-month inflation in September confirming that deep-rooted inflationary pressure continues to define the UK foodservice sector.

Latest Inflation Figures as of June 2025*	
Foodservice Price Index (FPI) in April	3.7%
Food Price Inflation (CPI)	4.9%
Retail Price Index (RPI)	4.3%
Consumer Price Index (CPI)	3.6%
Producer Price Index (PPI)	Not released

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

### Fruit and vegetables

Fruit and vegetables: with winter bringing more imported produce and challenging shipping conditions, delays are becoming more likely - when ports are busy. This can cause quality issues as produce remains on vessels for longer, along with availability problems. Currently, limes and sweet potatoes are the main concerns, however, we are managing these well, and there are no availability issues at present.

Potatoes: with around 95% of the crop now harvested and in-store, availability is looking positive for the season. However, we are maintaining a close watching brief on quality, as the hot conditions throughout spring and summer have increased dry matter levels, which can lead to bruising and other problems. Suppliers are working closely with us to minimise any impact. We'll keep you updated as the season progresses.

Cabbage: availability will remain tight this season, as maintaining weight continues to be a challenge. Concessions are in place to support red and white cabbage, and ongoing quality issues with oedema are affecting the crop. Sweetheart cabbage is currently a mix of British and Spanish produce and will fully transition to Spain by the end of the month. With menus featuring cabbage, please be mindful on the concessions in place.

### Dairy

Eggs: Housing Orders are in place across England, Wales and Northern Ireland as cases of Avian Influenza (AI) continue to rise. An AI Prevention Zone (AIPZ) means enhanced

biosecurity measures are now in force across the UK.

We source eggs from multiple locations, reducing the risk of localised outbreaks, and we will continue to work with suppliers to minimise the potential impact. Under UK legislation, eggs from hens temporarily kept indoors due to a Housing Order can still be marketed as free range until the Chief Veterinary Officer declares it safe for hens to go outside.

The impact of AI is putting pressure on the availability of eggs, and we will continue to monitor the situation over the coming months.

### Bakery

Sugar: world sugar prices fell 11% in September, driven by surplus supply and weaker demand.

Over the past five years, some companies have reformulated products for health reasons by reducing sugar, often adding more cocoa in the process, which increased costs. As cocoa prices surged, most shifted strategies, reducing pack sizes or adding fruit and nuts to manage costs.

London and New York cocoa bean futures fell by double digits in September, impacted by heavy rains in West Africa and weaker demand. Year-on-year, cocoa costs are down nearly 20%, though much of this has yet to reach the wider market due to existing contracts. Further price decreases are expected by the New Year.

### Meat

Turkey: 2025 has been a difficult year for the turkey sector, with supply shrinking as many producers switch to chicken production. Ongoing outbreaks of AI and Newcastle Disease across the UK and Europe have further tightened availability.

In Suffolk, a major poultry region, UK protection zone and movement restrictions are raising concerns for the Christmas supply. Across Europe, Italy, Poland, and Germany have all reported significant outbreaks, resulting in halted production, paused exports, and reduced processing capacity.

These disruptions are limiting fresh turkey volumes and driving prices higher.

Turkey - please book your volumes as soon as possible and share usage forecasts, especially for fresh turkey. Prices are likely to rise with increasing demand, so consider frozen or previously frozen options to protect against inflation. Be sure to confirm volumes for these too.

### Hot Beverages

Coffee: coffee prices remain highly volatile due to weather events and broader economic factors. Prices are near historic highs, keeping pressure on supplier costs, and this trend is expected to continue.

Cocoa: cocoa prices are still elevated, impacting chocolate-based drinks.

Packaging and ESG: New ESG-driven regulations (EPR/PRN) are prompting changes

to pack formats, which may influence pricing and pack sizes in the longer term.

### Fish and seafood

Farmed bass and Gilthead bream: farmed bass prices continue to move upward due to tight supply and ongoing challenges in Turkey, where food inflation has reached 35% and farm mortality rates remain high. This pressure has led to increased demand for Gilthead bream, which is also experiencing price rises. Further increases are expected in the near term.

Salmon: prices have risen again, continuing the recent trends. Chalk stream trout remains a sustainable and stable-priced alternative.

Whitefish: codling prices have softened slightly, but larger cod fillets are facing significant upward pressure. The Barents Sea quota is at its lowest level in two decades, resulting in limited availability and strong competition for supply.

Haddock has also seen a modest increase, driven by a shift in demand as traders turn towards haddock due to sharply reduced cod landings - currently around 50% below 2023 levels. Despite an anticipated quota increase next year, demand pressure on both species is keeping prices elevated. Hake remains a strong alternative, with supply exceeding demand, offering good value and a sustainable option in the challenging whitefish market.

Monkfish: prices continue to rise. As a popular menu choice, with January pricing expected to reflect the higher seasonal costs. Halibut remains a stable, high-quality alternative.

### Meat

Beef - indicators suggest that further inflation on beef in the next quarter is likely. Cattle and kill numbers are down and demand remains strong. Deadweight pricing is approaching £6.50 per kg, and we anticipate it to be above this level before the end of the year. Christmas historically leads to an increase in demand for beef, most likely adding further demand pressures to an already constrained market.

Chicken - we anticipate further inflation this quarter. Demand remains high for chicken in the UK, imports from Europe still haven't recovered to previous levels and this is putting pressure on UK producers. UK Red Tractor assured stock is particularly scarce. We're entering prime Avian Influenza (AI) season as we move into winter months, any outbreaks could have a major impact on availability and, in turn, pricing.

Turkey - last year, fresh turkey prices rose by approximately 20% to 30% in the lead-up to Christmas, and a similar trend is expected this season. In contrast, frozen turkey pricing tends to remain more stable during this period.

We've had reports that one of the largest importers into the UK has temporarily suspended imports, due to an outbreak of Newcastle disease being detected within four miles of its processing plant. Imports have been halted for a minimum of 30 days, adding further pressure to an already tight supply situation. Pork - we don't anticipate any challenges or inflation with pork during the next quarter.

Turkey - we recommend focusing on frozen turkey if you are looking to shield yourself from inflation on fresh turkey.

### Fish and seafood

Salmon - as we enter the colder months, salmon prices are expected to rise. Slower growth rates and the onset of winter sores are reducing the availability of larger, premium-quality fish, putting upward pressure across all salmon categories. Processors and smokers have already anticipated this trend, with price increases beginning to appear across the board.

Chalk stream trout - offers strong commercial and sustainable value, making it an excellent alternative to farmed salmon.

Whitefish - cod remains a key concern, with prices at their highest levels in several years. Quotas continue to be reduced, and the upcoming Total Allowable Catch (TAC) is expected to fall by another 20% - the fourth consecutive year of cuts.

Haddock, the natural alternative, is also seeing upward price pressure despite increased quotas in the Barents Sea. Supply is available, but affordability remains a challenge as demand shifts from cod to haddock.

For viable alternatives, fresh hake presents a premium option, while Alaska pollock stands out as the most cost-effective and sustainable choice (MCS rating 1\*) for core menu items.

### Fruit & Vegetables

As we enter the winter months, root vegetables are back in season, while salad and berries are out of season. We recommend chefs build their menus around in-season products such as carrots, onions, potatoes, parsnips and squash.

Potatoes – we expect the effects of the hot and dry growing season to continue. Higher dry matter levels are likely to persist, and availability of larger potatoes, particularly bakers, may tighten once the full harvest is complete in November. We will be monitoring quality and supply closely as results come in.

Lettuce - we expect lettuce supply to transition from British to Spanish as we move into the next quarter. Pest pressure has eased, but weather conditions in Spain may continue to affect availability and quality in the short term.

Broccoli - Spanish broccoli is likely to become the main source of supply. While availability should remain good, pest pressures and weather conditions in Spain may affect quality and consistency. Suppliers will continue working closely with growers to manage these challenges.

Cabbage - pests are likely to continue affecting cabbage varieties, including Savoy and Cavolo Nero, with whitefly and other insects potentially impacting crops. Maintaining weight may remain a challenge, and concessions could continue to be necessary.

Lemons - supply is expected to transition to Spanish lemons. While the Spanish harvest is likely to be smaller than usual, quality and size are expected to remain good.

### Dairy

Looking ahead to the next quarter, the recent autumn rainfall following the drought has led to a flush of grass growth. This could ease pressure on forage stocks for now and might even allow for a late silage cut. However, forage availability and costs are still expected to be a challenge for some farmers this winter.

With high levels of milk production, there's growing pressure on processors to manage the surplus. If this excess supply isn't absorbed, it could lead to downward pressure on farmgate prices to curb production.

Additionally, the milking herd is starting to shrink, largely due to high beef prices and ongoing labour shortages. If this trend continues, we may see a decline in milk production over the coming year.

There's some hope that the current high milk production can be redirected into butter, which could help ease prices going forward.

# Labour Driving Underlying Inflation



## Supply Chain

As shown earlier in this report, commodities continue to experience inflation driven by true commodity movements - i.e., supply tightening as demand increases, or vice versa. However, in the UK, we are seeing Total Consumer Price Index (CPI) and Food CPI grow faster than commodity inflation. This is being driven by government-led labour cost increases, such as the rise in the National Living Wage (NLW) and increases in National Insurance (NI).

Since April 2025, when these increases took effect, we have seen these costs gradually filter into the supply chain. Businesses have been weighing whether they can pass these costs on or absorb them. As cost pressures have continued to build, businesses now have little choice, and this impact is emerging as the main driver of increased supply chain costs.

This is clearly illustrated in the graph below: Europe is experiencing traditional commodity-driven inflation rates, whereas UK rates are elevated, reflecting the impact of NI and NLW on supply chain costs.

We expect this trend to continue over the next six months, with CPI and, more importantly, Food CPI, remaining elevated compared with Europe. If the government does not introduce further increases, we could see CPI and supply chain costs soften in the spring, rising only around 2% to 3% rather than the current elevated level of 5% for Food CPI.

### Inflation Rates: Selected Countries

Annual percentage change in consumer prices (HICP)

	2022	2023	2024	Jun 2025	Jul 2025	Aug 2025
UK	9.1	7.3	2.5	3.6	3.8	3.8
Eurozone	8.4	5.4	2.4	2.0	2.0	2.0
EU	9.2	6.4	2.6	2.3	2.4	2.4
France	5.9	5.7	2.3	0.9	0.9	0.8
Germany	8.7	6.0	2.5	2.0	1.8	2.1