

October 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	0.1%
Oil and Fats	11.1%
Breads and Cereals	-0.6%
Vegetables	2.3%
Meat	0.8%
Sugar, Jam, Syrups, Chocolate and Confectionary	5.7%
Fish	-1.6%
Fruit	3.8%

Inflation Figures

The Consumer Prices Index (CPI) rose by 1.7% in the 12 months to September 2024, down from 2.2% in August. Food and non-alcoholic beverage prices rose by 1.9% in the year to September, up from 1.3% in August 2024. The Retail Price Index (RPI) is now 2.7% vs 3.5% last month, while the Foodservice Price Index (FPI) is now 2.8% vs 3.1% last month. Producer Price Index (PPI) for food saw an increase of 0.4% on last month.

Inflation continues to be persistent due to adverse weather conditions, increasing employment costs, and farmgate prices remaining high.

Latest Inflation Figures as of September 2024*:

Food Price Inflation (CPI)	1.9%
Retail Price Index (RPI)	2.7%
Consumer Price Index (CPI)	1.7%
Producer Price Index (PPI)	1.2%

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

Fish and Seafood

Salmon prices are likely at their lowest point in the market, with an anticipated upward trend in the near future. Prices for larger salmon (over five kilograms) have already increased, and smoked salmon prices are expected to rise next month.

Cod prices are currently high and subject to significant volatility, making it advisable to avoid purchasing at this time. A shift towards more stable and cost-effective alternatives, such as hake or pollock, is recommended.

The fresh fish market has performed well this autumn, supported by favourable weather conditions. However, as winter approaches, pricing may become more unpredictable due to weather.

Grocery

Due to extreme dry weather in the Philippines/Southeast Asia, coconut crops are down in production by 20%. The price of coconut and coconut oil are on the rise and are expected to rise further over the coming months.

A category four hurricane in Southeast USA has resulted in losses of pecans and peanuts. Reports indicate around 60% of pecan trees were uprooted, whilst peanut fields have seen disease pressure and delayed harvesting.

The Turkish hazelnut crop is down by 30% due to dry weather in Black Sea coastal areas during the critical nut development stage in late spring last year.

Currant prices continue to soar as availability in Turkey and Greece is tight.

Dairy

Milk production is down 3% year-over-year which equates to around 20 million litres. Milk processors have responded to market conditions by raising their farmgate milk prices to farmers, providing greater motivation to increase production.

Butter prices have surged by over 60% in 2024. This is due to supply concerns resulting in short-term purchasing, with buyers looking to lock in volume. While prices are expected to ease slightly in autumn, they are forecasted to rise again as demand increases toward the Christmas season when people consume more rich and fatty foods.

Fruit and Veg

While potato availability is improving, an estimated 40% of the crop still needs to be lifted from the ground. With weather anticipated to improve, we expect growers to resume harvesting. In the coming weeks, we will be able to provide information on the outlook for the season ahead depending on the quantity and quality of crop lifted.

UK supply of brassica is being affected by too much rain which is causing the leaf to hold too much water and wilt. The wet weather is impacting both the ability of growers to harvest and the quality of the crop.

We are moving away from the UK crop of lettuce and salad, and production in Spain and Morocco, which typically supply the UK in winter as they are threatened by droughts in growing regions.

We recommend taking lettuce off menus and focusing on seasonal produce such as root vegetables. Consider green beans as an alternative to brassica. Carrots, parsnips and swede are great alternatives for potatoes.

Fruit and Vegetable Supply Update

Extreme flooding in Spain last week saw a full year of rain fall in eight hours. The rain hit just as new crop season was about to start. Valencia has been hardest hit which is the main region for citrus fruit.

Citrus Fruit

Main crop that is affected likely to see delays/shortages until next week.

Easy Peelers

Delays until second week of November as we move away from South African source. Concessions will be used over the next two weeks.

Oranges

Continue to source from Southern Hemisphere, so minimal risk.

Lemons

Source from Murcia. May be short term harvesting challenges.

Tomatoes

Source from Almeria and Murcia. Have the option to extend to Dutch supply.

Lettuce

Little gem at risk with hail damage to outer leaves. Two weeks until full supply is back.

Tender stem Broccoli

30% of Spanish crop has been damaged. We continue to source from UK. Expect challenges from Spain to be short term.

Logistics: Will be challenging as transportation routes are disrupted by floodwaters. With transport delays and potential crop damage likely, our suppliers continue to monitor the situation closely and will update on any impacts to availability or pricing

Outlook

Many of the crops in the affected area are not yet ready for harvesting. Suppliers are working on supporting their farmers in the regions in the immediate aftermath, and also working with farmers to build up a picture of what gaps there may be in supply in the coming weeks.