

MARKET FORECAST

FOR THE HOSPITALITY AND CATERING INDUSTRY

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AUTUMN 2024

CONSUMER CONFIDENCE IN QUESTION

It's never too early to start planning for the busiest time of year, but it might be too soon to forecast with any certainty how consumers will feel about booking festive meals and get-togethers in the run-up to the Christmas season.

Operators will be hoping that the recent cut in interest rates, as well as lower levels of inflation, will start to give customers the confidence they need to book ahead. However, concerns about possible tax rises in October's Budget may affect that.

With summer over, a focus on seasonal British ingredients and traditional dishes is a great way to encourage people to get back into the eating out habit.

While many farmers and producers are still struggling with the impact of severe flooding earlier in the year, suppliers have mostly factored this into their pricing, enabling operators to plan their autumn and winter menus with some security.

Of course, the supply chain is always vulnerable to the unexpected. The best advice is to plan ahead as far as possible, keep suppliers in the loop, and build some flexibility into menus where possible to allow for changes to availability.

THE GOOD

- Interest rate cuts boost consumer spending power
- British harvests return to normal levels
- Good availability for most seasonal fruit/veg
- Customers begin planning Christmas events

THE BAD

- Potato products still impacted by weather
- Coffee and cocoa prices rise sharply
- Viability worries for British farmers and producers
- Higher taxes and energy costs impact on consumer confidence

MENU WATCH



Gourmet hot dogs are on the way back, with a number of chefs and restaurateurs reported to be having another crack at reinventing the humble banger-in-a bun. After the gourmet burger boom of a decade ago, upmarket hot dogs were forecast to be the next big thing but have yet to make the same impact.

Flavour Shock is forecast to be a major menu trend as chefs aim to create excitement for jaded consumers with unexpected flavour combinations, and a mix-and-match approach to global cuisines. Unconventional fusion dishes and unusual spices and seasonings are hallmarks of this chaos cooking approach. Indian tandoori fish served with a spicy Mexican salsa roja is one example.



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MEAT



There was a significant increase in British pork production this summer as suppliers made the most of higher market prices. While prime cuts are still at a premium, there is better value in menu staples such as bacon, where prices have come down, and sausages

Beef production continues to be below usual levels after some producers cut back on the size of herds in response to lower retail prices. This is pushing up the price of steaks and prime cuts. Less popular cuts are a better value choice for hospitality menus.



POTATOES



Potato crops in the UK and Europe were severely impacted by the winter/spring flooding, which reduced land available for planting. This means significantly higher prices for many frozen potato products will continue for the rest of the year.



COOKING OIL

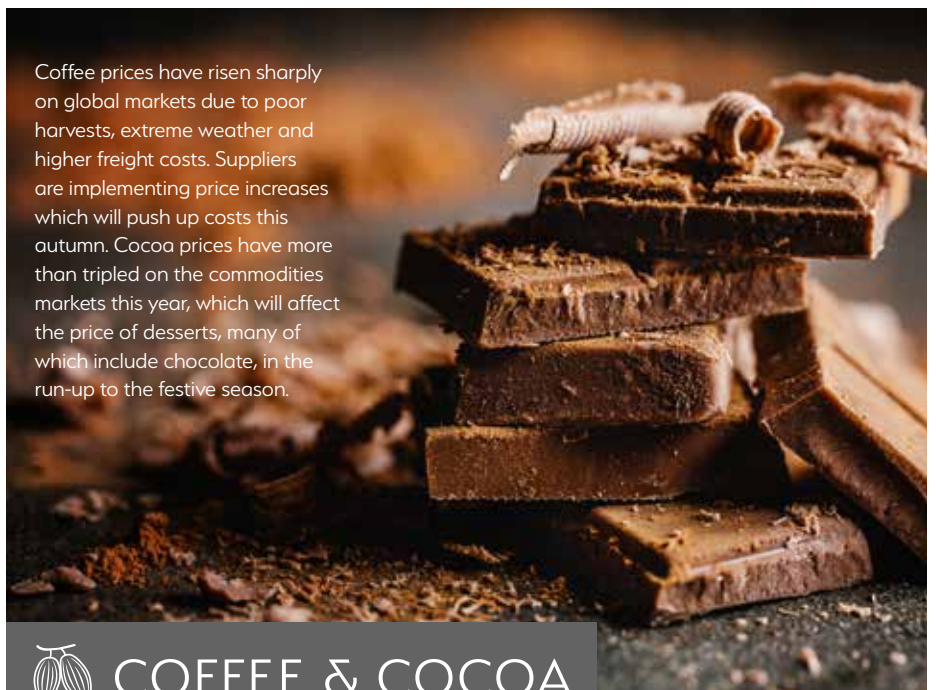
Continued conflict in Ukraine, combined with higher prices for olive oil and the impact of bad weather on the UK rapeseed harvest, is keeping cooking oil prices at very high levels. Frozen products which use oil, such as chips, are also affected.



VEGETABLES

Flooding also affected UK crops such as carrots and onions, and while supplies are steadily recovering, prices of these staple products remain higher than normal. With marrow, cabbage and parsnips good quality and value, using a broader range of veg on autumn menus will help manage costs.

Coffee prices have risen sharply on global markets due to poor harvests, extreme weather and higher freight costs. Suppliers are implementing price increases which will push up costs this autumn. Cocoa prices have more than tripled on the commodities markets this year, which will affect the price of desserts, many of which include chocolate, in the run-up to the festive season.



COFFEE & COCOA



FISH & SHELLFISH

With some cod quotas expected to see significant reductions next year, autumn is a good time to persuade customers to try a broader range of fish, with UK species such as plaice, sole and monkfish in good supply, as well as farmed white fish from further afield.

British mussels are one of the best value and most sustainable menu choices - now in season and high quality. Native scallops are also seeing good availability.



FRUIT

Globally, orange crops have been affected by disease and bad weather, which has seen prices for orange juice rise steadily in recent months. Growers expect the 2024 British apple crop to be good in terms of the size, flavour and quality of the fruit, with the pear crop looking similarly strong,



WINE

Global wine consumption was at a 25-year low in 2023, driven by higher prices and lower demand. Operators looking to refresh their wine list should speak to suppliers to make the most of available deals and offers.



POULTRY

Reductions in the size of many flocks as a measure to control avian flu have now largely worked through the supply chain, although prices remain higher due to reduced availability and higher feed costs. As well as good availability of both fresh and frozen chicken, turkey, duck and goose should all be high quality as the festive season approaches.



DAIRY

Dairy farmers were also badly affected by this year's floods, reducing output. Prices of butter and cream, widely used in food manufacture, are still increasing.



SALAD

High temperatures in southern Europe have affected the quality and availability of some salad leaf produce. Imported products such as cucumber and tomatoes are also impacted by higher transport and import costs.

INFLATION



The headline rate of inflation moved up to 2.2% in the year to July, ahead of the Bank of England target rate of 2%. The rate for food and catering was higher, at 2.4%, and the cost of meals eaten out of home was up 6.1% year on year.

Wine and spirits prices increased by 6.4% in the on-trade, and beer by 5%, as operators passed supplier price increases on to consumers.

Menu Tips

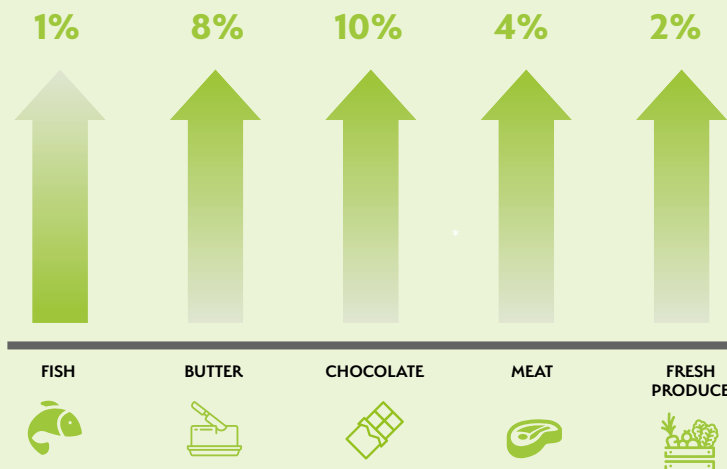
- Add heartier autumn dishes such as pies and casseroles to seasonal menus
- Spotlight desserts made with British fruit such as apples and pears
- Offer "fresh, seasonal veg" as an accompaniment to make the most of availability
- Work with suppliers to get the benefits of changing availability and value

THE LYNXOMETER

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

UP 3%

*Compares basket prices from August 2023 to August 2024



SEASONALITY GUIDE

IN SEASON

Mussels

Smoked Haddock

Mackerel

Turbot

Brill

Gurnard

Autumn Squash

Plums

Heritage Carrots

Tenderstem Broccoli

Apples

Pears

Kale

Cabbage

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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