

MARKET FORECAST

FOR THE HOSPITALITY AND CATERING INDUSTRY

LYNX PURCHASING | LYNXPURCHASING.CO.UK

WINTER 2024



GLOBAL CHALLENGES

While the Budget announced measures aimed at supporting the hospitality sector, including business rates reform in the longer run, the sector has been critical of significant short-term challenges such as the increases in the living wage and employer's national insurance contributions.

Additionally, any improvement in consumer confidence is unlikely to have much impact this side of Christmas, with festive menus already in place and most bookings secured. Instead, the industry will be hoping that consumers feel secure enough to come out to eat and drink more frequently in the new year, to offset higher costs.

While the first few months of the year are traditionally quiet for hospitality, offering January deals and promoting occasions such as Valentine's Day in February and Mother's Day in March are opportunities to get customers back into the going out habit.

While inflation has come down overall, there are still areas of concern. The impact of global conflicts and instability continues, as do the after-effects of flooding and extreme weather in both the UK and overseas.

As always, supply chains would benefit from a period of stability, but will need to be ready to respond to events that impact on crops such as the terrible floods in Spain. Operators who can keep menus flexible, source close to home and serve produce at its peak in terms of value, quality and availability, are best able to respond to changes.

THE GOOD

- Interest rates on downward trend
- Business rates reform in the works
- Poultry supplies recover post avian flu
- Seasonal Workers Scheme renewed for 2025 increasing farm workers

THE BAD

- Ongoing global conflicts impacting supply chain
- Floods in Spain disrupt food supply
- Rising Living Wage and NI cause cost increases
- A late Easter - April 2025 - delays boost to hospitality spending

MENU WATCH



Consumers are becoming used to more unusual flavours and a broader range of cuisine styles when they eat out, according to analyst Mintel's latest report on food trends. One reason is that disruption to global supply chains has prompted restaurant operators to look for alternatives to familiar products.

More rule-breaking is also being seen on menus, says Mintel. Going well beyond breaching the red-with-meat, white-with-fish wine convention, consumers are ready to try unexpected accompaniments and less familiar combinations of ingredients.

A trend from the US restaurant market expected to make its way to the UK is putting the humble egg centre-plate. Cured and smoked eggs are among the delights being offered by chefs, as well as eggs spiced up with Asian flavours.



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BEEF



Fewer cattle and higher production costs have continued to drive up beef prices. With strong demand for the available supplies from both hospitality and retail, prices are likely to remain at high levels across the winter.



VEG & POTATOES



The impact of flooding in the UK and Europe at the start of the year has continued to keep potato prices high, with record levels recorded at the end of the summer. Operators using frozen products such as chips and roast potatoes should budget for higher costs at least through to the 2025 harvest. While root vegetables were also affected by flooding, stocks are generally high quality and will be in good supply across the winter. Parsnips, leeks, cabbages and purple sprouting broccoli are all great accompaniments to seasonal dishes



OILS



The combination of much lower yields of olive oil in southern Europe, and the ongoing impact of the Russian invasion of Ukraine on sunflower oil production, is keeping cooking oil prices high. This has a knock-on impact on the wide range of food products that use cooking oil in their manufacture.



FRUIT



The wet summer of 2024 meant that the UK apple harvest generally had a high juice content this year. That's good news for juice pressers and cider makers, but may mean chefs need to use more of the firmer apples, ideal for cooking, in recipes.

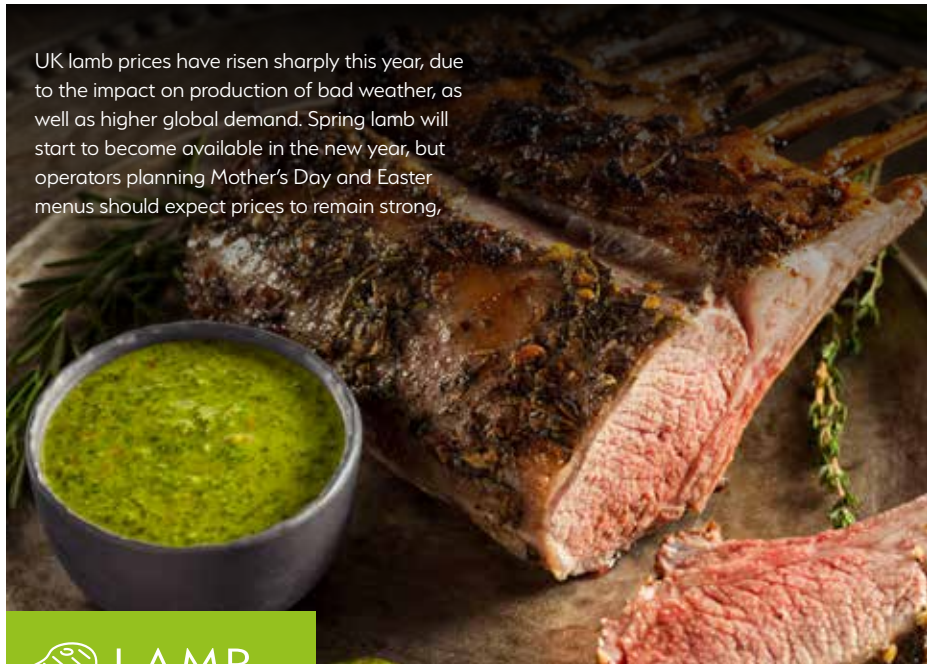


DAIRY



The bad weather at the start of the year impacted the UK and European dairy market because there was less fresh grass available for cattle to feed on. This affected milk supply and the availability of cream and butter which, in the longer term, affects a wide range of manufactured food products. Higher costs should be expected into 2025.

UK lamb prices have risen sharply this year, due to the impact on production of bad weather, as well as higher global demand. Spring lamb will start to become available in the new year, but operators planning Mother's Day and Easter menus should expect prices to remain strong,



LAMB



FISH

Prices for cod and haddock have continued to rise in response to global demand, making an economic as well as a sustainability case to feature alternative white fish species on menus and specials boards. Salmon prices have lowered somewhat recently, but will rise for December and will remain high throughout January.



WINE

Wine suppliers are warning that a planned duty change in the new year will add significant costs to the price of some wines. The current flat rate of tax on wines between 11.5% and 14.5% ABV will change on February 1 to a sliding scale of duty according to strength.



SALADS

Spain produces a significant percentage of the salad and veg imported into the UK, and the disastrous floods at the end of October have caused tremendous damage to both infrastructure, production capacity and crops. Suppliers will look for alternative sources, but some shortages and higher prices are very likely.



CHEESE

The challenges facing the dairy market are also starting to be seen in rising costs for premium cheeses, which have a longer production time than other dairy products. Higher costs will continue to be a factor in the months ahead.



POULTRY

After two years in which supplies were limited due to avian flu, turkey is in better supply in the run-up to the festive season this year. Goose and duck are also available as menu alternatives.



BEER

While the penny-a-pint duty reduction in the budget was welcomed by CAMRA, brewers have seen significant increases in the cost of raw materials, which continue to be passed on in price increases for draught, canned and bottled products.



INFLATION



The headline rate of UK inflation increased to 2.3% in October, back above the Bank of England's target rate of 2%. Rising energy costs were the main driver of the increase, with many menu staples such as cooking oil, lamb, potatoes, and fresh fruit and veg recording higher rates of increase. The annual increase in the price of restaurant meals was 5.2%.



Menu Tips

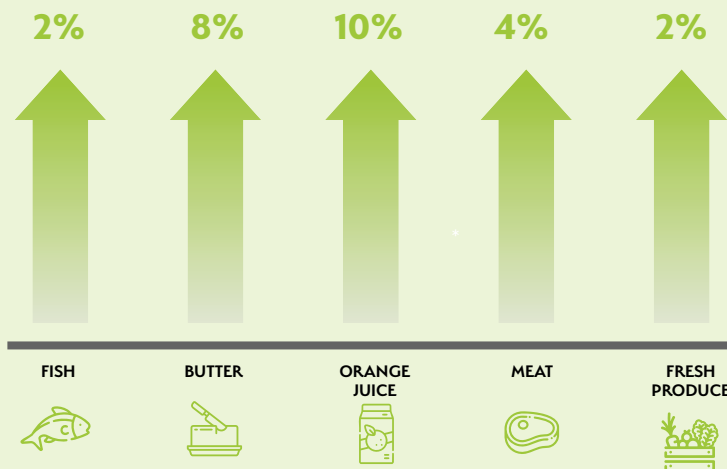
- Use a specials board to make the most of changing availability of meat and fish
- Offer "theme night" deals on dishes such as burgers and curries
- Feature lower ABV wines as house wines to make the most of duty changes
- Source locally-produced cheeses to add a premium element to menus
- Keep suppliers in the loop and place orders early

THE LYNXOMETER

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

UP 3%

*Compares basket prices from from November 2023 with November 2024



SEASONALITY GUIDE

IN SEASON

Venison
Pork
Coley
Mussels
Scallops
Winter Squash
Leeks
Parsnips
Brussels Sprouts
Celeriac
Cabbage
Kale
Apples
Clementines
Quince
Pomegranate

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.

