

MARKET FORECAST

FOR THE HOSPITALITY AND CATERING INDUSTRY

LYNX PURCHASING | LYNXPURCHASING.CO.UK

SPRING 2025



FOCUS ON CORE MENU

THIS SPRING

As ever, supply chains remain susceptible to unexpected events, whether that's extreme weather or political instability.

Global food prices rose by around 6% in 2024, ahead of the UK inflation rate, and those increases are reflected in the prices being paid by hospitality businesses. Operators are also feeling the impact of higher wage costs resulting from the NI increase announced in the Budget.

The best advice is to focus on the factors you can influence rather than worry about the ones you can't. This time of year, particularly when consumers are feeling the pinch, is probably not the best time to make radical menu changes.

Instead, compete by making your core menu the best it can possibly be as consumers seek comfort in traditional dishes. If a customer enjoys a really great quality steak and ale pie,

fish and chips, or sausage and mash, they'll not only come back for more, but they'll also tell their family and friends.

It may seem counterintuitive, but investing in quality produce can be the best way to reduce costs and save time. Better quality means less food waste, often faster prep time - and adds real value for cash-strapped consumers.

There are also a few opportunities early in the year for occasions when customers are looking to treat themselves, such as Mother's Day and Easter. So speak to suppliers about availability, not only what's in season but also what's going out of season and may be good value. Use specials boards to help persuade people to push the boat out.

This is a good time of year to spring clean your supplier list as well as your business. Operators need strong supplier relationships, but when did you last do a comparison with their competitors? Our advice: Keep it strictly business.



MENU WATCH

French cuisine is making a comeback, as classic bistro-style dishes such as boeuf bourguignon and steak frites appear on more menus, according to trend-watchers. Chefs are adding their own twist by creating flavoured butters using different herbs and spices to top steaks.

Smaller and sharing dishes are forecast to be an important trend in 2025 as restaurants look to add menu options that appeal to consumers eating out on a budget. A range of global cuisines, including Spanish tapas, Turkish grilled meats, Swiss fondue and Oriental Buddha bowls, are being served up nationwide to support demand.

The smash burgers trend, where the meat patty is smashed about before being cooked, is tipped to expand further this year. Smash variations include Oklahoma style, where onions are smashed into the meat before frying, and animal style, with the patty fried in mustard. Smash sausage pork patties are also being offered on breakfast menus.

THE GOOD

- Mother's Day and Easter - dining out occasions
- UK inflation and interest rates down
- UK-grown spring produce available

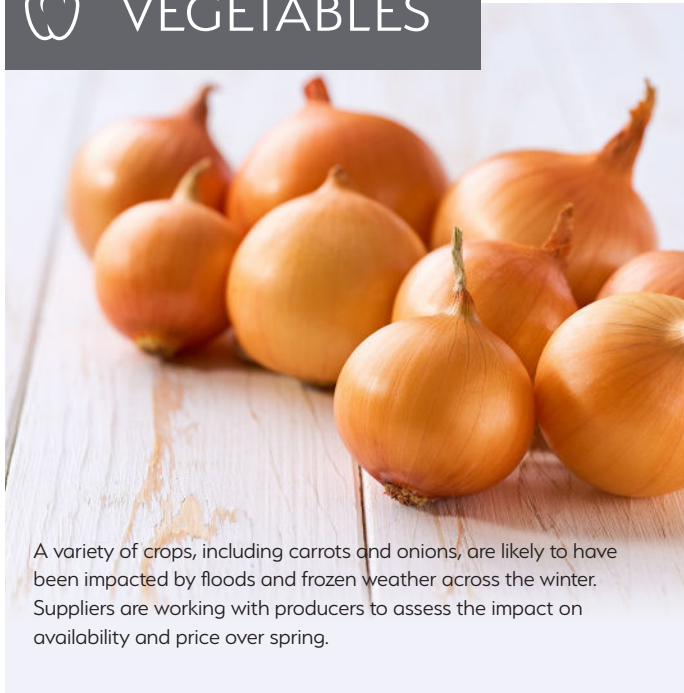
THE BAD

- Consumer caution at high levels still
- Higher wages affect whole supply chain
- Extreme weather impact on UK and global crops



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VEGETABLES



A variety of crops, including carrots and onions, are likely to have been impacted by floods and frozen weather across the winter. Suppliers are working with producers to assess the impact on availability and price over spring.

BEEF & LAMB



Beef prices continue to rise sharply, with strong demand for beef from the retail sector, as well as export markets. Hospitality suppliers have raised beef prices, especially for premium cuts, and expect further increases. Suppliers can advise on the availability of alternative cuts, but the time required to raise cattle means operators should budget for higher beef prices for some time to come. Lamb is traditionally popular on Easter menus, but operators will have to balance its appeal against higher costs. Lower lamb production globally is keeping prices at a premium.

COOKING OILS



The damaging effects of climate change on the southern European olive oil industry, combined with the impact of the continued conflict in Ukraine on sunflower supplies, means cooking oil prices remain high. This also has a knock-on effect on many pre-made food products that rely on cooking oil as an ingredient.

ORANGE JUICE

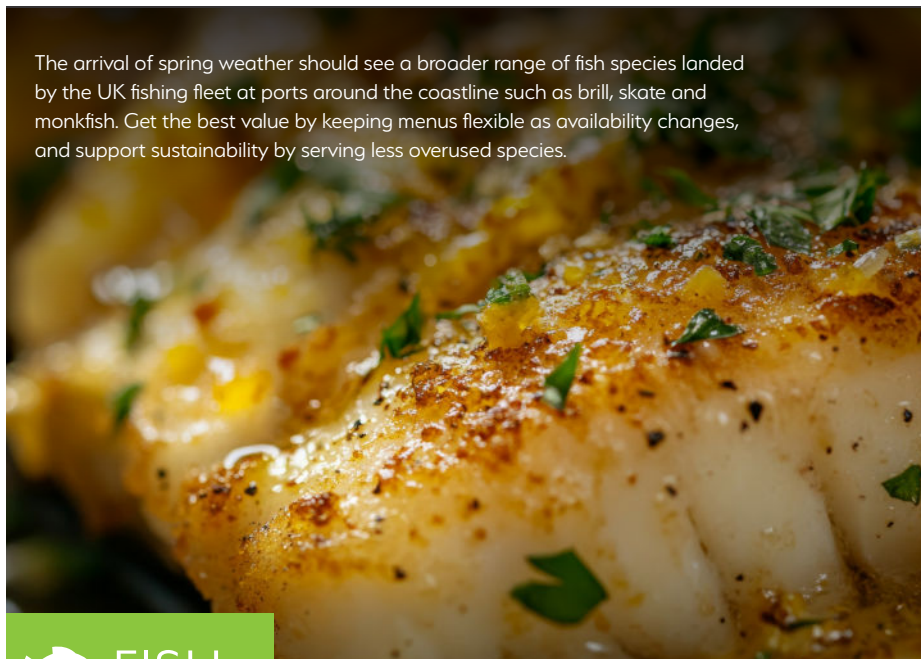


Supplies are short due to the impact of climate change. Brazil, the largest producer, exported 20% less concentrate year-on-year in the second half of 2024, which has had an impact on price.

DAIRY



Increased global demand for dairy has seen butter prices rise sharply over recent months, with a 10.2% year-on-year increase reported in December. Cheese, which saw steep increases last year, is currently more stable, although egg prices continue to rise as producers switch from caged to free-range flocks.



The arrival of spring weather should see a broader range of fish species landed by the UK fishing fleet at ports around the coastline such as brill, skate and monkfish. Get the best value by keeping menus flexible as availability changes, and support sustainability by serving less overused species.

FISH



CHOCOLATE

Cocoa prices have been at record highs, prompting some suppliers to cut back on processing. As Easter approaches, operators should budget for higher costs for chocolate desserts.



WINE

Changes to the duty regime, making higher ABV wines more expensive, are an opportunity for operators to review wine lists to deliver better value. Wines from Portugal and South Africa, and sparkling alternatives to champagne, are worth considering.



SALADS

The British salad industry has warned that post-Brexit checks on seed and plant imports will have a serious impact on this year's crops, particularly tomatoes, peppers and cucumbers. Higher prices and delays in availability are likely unless the UK government streamlines the process, producers have warned



COFFEE

Record prices for coffee beans on the global commodities markets will keep hospitality prices high for the foreseeable future. Coffee requires very specific conditions in which to grow, and climate change is having a significant impact on the world's coffee-growing regions.



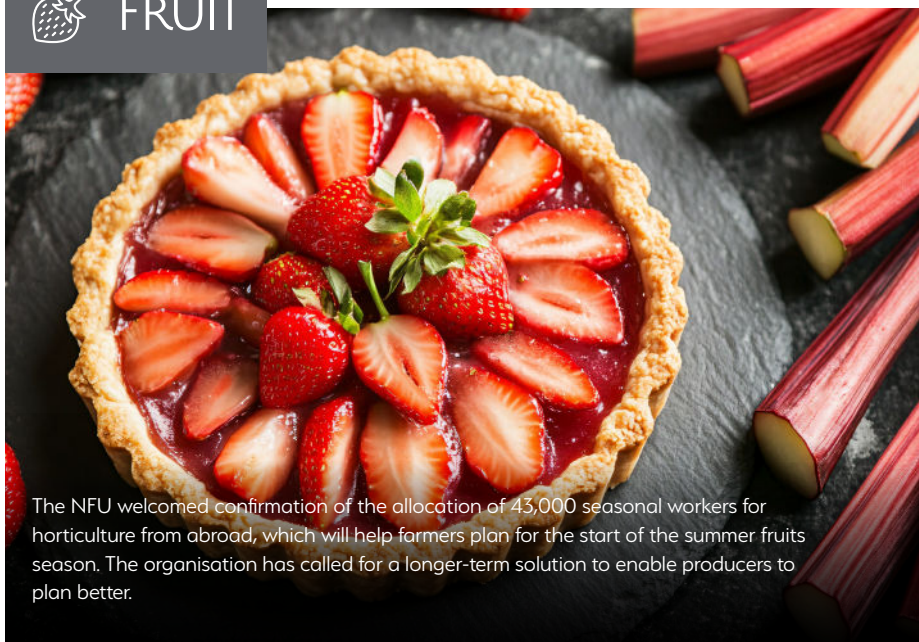
POTATOES

Prices continue to rise ahead of the inflation rate. The year-on-year price of unprocessed potatoes was up 16.8% in December. With producers still recovering from the impact of flooding in early 2024, the impact of the freezing weather and floods in early January is being assessed.



FRUIT

The NFU welcomed confirmation of the allocation of 43,000 seasonal workers for horticulture from abroad, which will help farmers plan for the start of the summer fruits season. The organisation has called for a longer-term solution to enable producers to plan better.



INFLATION



The headline rate of inflation eased marginally in December 2024, down to 2.5% from 2.6% a year earlier. There were significant increases in menu staples including potatoes, butter, oil and eggs. Lamb also saw a significant year-on-year increase. The annual increase in the price of restaurant meals was 4.8%.



Menu Tips

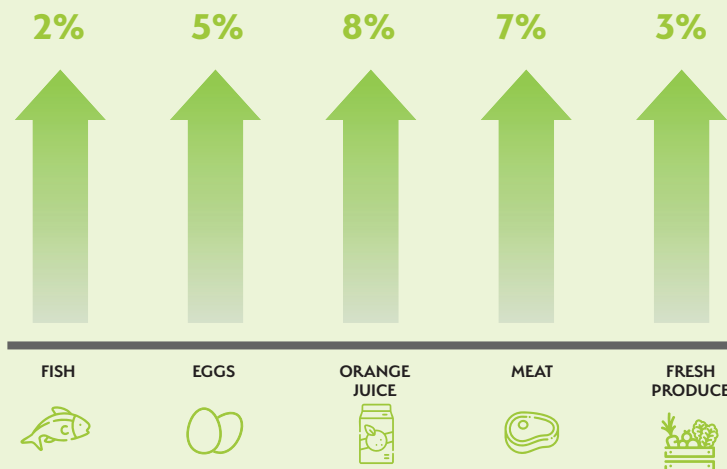
- Use specials boards to make the most of changing availability and manage costs
- Promote Mother's Day menus, and family booking deals for Easter
- Vary wine lists to balance the impact of duty changes
- Highlight comfort food and menu classics to reassure cash-strapped customers
- Talk to suppliers to make the most of produce at its best in terms of quality and availability.

THE LYNXOMETER

Our basket of the most commonly delivered items in Spring 2025 is

UP 4%

*Compares basket prices from February 2024 with February 2025



SEASONALITY GUIDE

IN SEASON

Turnips
King Prawns
Monkfish
Brill
Jersey Royal potatoes
Asparagus
Rhubarb

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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