
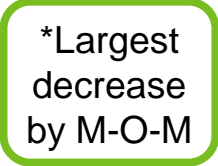




December 2022

A monthly snapshot of key changes within the market

In collaboration with Mintec Global, the leading global provider of pricing data and insight to the food and beverage sector, we bring you Market Movers. This monthly report provides you with a snapshot of the key changes within the market.

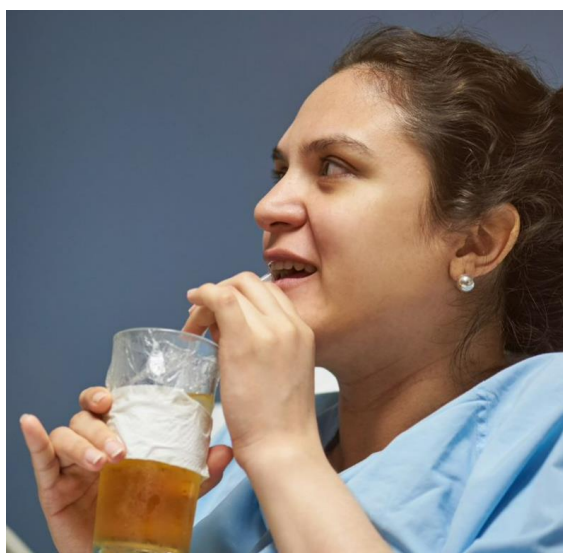
		Year on year (Y-O-Y)	Drivers (Y-O-Y)
 	Sugar, Jam, Syrups, Chocolate and confectionary	+ 10%	Currency
	Vegetables including Potatoes and Tubers	+ 15.1%	Production cost
	Bread and Cereals	+ 15.1%	Russia – Ukraine conflict
	Meat	+ 15.6%	Supply and Avian Flu
	Fish	+ 15.7%	Russia-Ukraine Conflict and Production Costs
 	Milk, Cheese and Eggs	+ 27.2%	Production costs and Avian Flu
	Oils and Fats	+ 33.1%	Weather and Russia-Ukraine Conflict

Key Headlines

The Consumer Prices Index (CPI) rose by 11.1% in the 12 months to October 2022, up from 10.1% in September 2022.

Food and non-alcoholic beverage prices rose by 16.4% in the 12 months to October 2022, up from 14.6% in September 2022.

The annual rate of inflation for this category has continued to rise for the last 15 consecutive months. The increase between September and October 2022 was driven by price movements across 10 of the 11 more detailed classes. The largest upward effect came from milk, cheese and eggs.



Energy

Previously suppliers from the non-food disposables space have been pushing through temporary surcharges to combat the rising energy prices. With the recent government caps on electricity and gas, we will hopefully see more stability across all categories in the next 6 months.



Turkey

Similarly, to eggs (see next page) we are seeing Avian Influenza impact both the supply and pricing of the Christmas season Turkey. Some farms recorded having to cull as much as 40% of their overall flock. Turkey, unlike chicken, takes longer to grow to then be ready for processing which has left the UK market in short supply for the Christmas period. From an inflation standpoint, we will see Turkey prices stay at a premium until at least four months post the festive Christmas season to allow for the flock numbers to return to an adequate number.

Eggs – Avian Influenza

Avian Influenza and the Housing Order

- Avian influenza (AI), known as bird flu, is a variety of influenza caused by viruses adapted to birds. Bird flu viruses do not normally infect humans.
- As of the 7th November 2022, all flocks of captive birds in England must be kept inside (Housing Order). This does not apply to NI, Scotland and Wales as of yet. free range status of birds that are housed will remain for 16 weeks. After 16 weeks the eggs will be classified as barn eggs.



Eggs - Shortages

What's causing the UK's egg shortage:

- Past year, many egg producers have exited the market due to huge increases in production costs with rising feed and energy costs.
- On top of this, AI has resulted in the culling of laying hens too, this has shown in the reduction of chicks placed per month. This has caused the UK egg output to be down by 10% in Q2 alone with further reductions to come.
- Supply will continue to be tight over the next three months.

