

February 2025

**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	2.2%
Oil and fats	10.2%
Breads and cereals	2.3%
Vegetables	2.7%
Meat	2.3%
Sugar, jam, syrups, chocolate and confectionary	8.1%
Fish	1.0%
Fruit	3.5%

**Inflation Figures**

The CPI rose by 3.0% in the 12 months to January 2025, up from 2.5% in the 12 months to December 2024. Food and non-alcoholic beverage prices rose by 3.3% in the year to January 2025, up by 2.0% to December 2024.

The FPI report for December 2024 continues to indicate the worrying resurgence of inflationary pressures in the UK hospitality sector. There was a significant month-on month increase of +1.0% and December's results mark a departure from the previous two months, with all ten categories experiencing month-on-month inflation.

Latest Inflation Figures as of December 2024*:	
Foodservice Price Index (FPI) in October	1.9%
Food Price Inflation (CPI)	3.3%
Retail Price Index (RPI)	3.6%
Consumer Price Index (CPI)	3.0%
Producer Price Index (PPI)	2.2%

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

As we approach the spring, farmers are looking to return cows to the fields in what is termed the 'spring flush' which typically results in increased milk production. Current YoY changes are 1.6% which is equivalent to an additional 500,000 litres of milk produced. However, as cream prices remain high this will have a knock-on effect on milk prices.

Cheddar prices softened at the back end of 2024 following the large spikes experienced last summer but are now again spiking upwards due to a strengthening of interest amongst buyers. Prices were expected to be weaker given the current generous state of milk flows but in the end did not move much on average.

Market prices have increased c. 13% YOY following the wet weather in 2024 and the cold weather experienced so far in 2025.

## Fish and Seafood

The whitefish market continues to experience significant pressure. Cod prices have reached an all-time high, with no immediate signs of decline. However, the market will need to stabilise, as processors cannot sustain the ongoing premium pricing. Haddock prices have risen by nearly 20% since September, and market pressures are expected to persist. US processors continue to purchase Norwegian products, and the impact of Trump-era tariffs on Chinese trade could further drive-up prices. As a frozen alternative, Alaskan pollock presents an excellent option, offering high quality at a lower price while maintaining superior sustainability with an MCS rating of 1-2. For fresh alternatives, coley may provide some price relief.

Salmon prices are unusually returning to pre-Christmas levels ahead of schedule. However, this trend is unlikely to hold due to colder waters slowing growth rates and causing winter sores, thereby increasing the premium on high-quality salmon. Given these factors, chalk stream trout remains a preferable alternative to farmed Norwegian salmon.

### Fruit & Veg

Brassica - the cold weather experienced in recent weeks has slowed the growth of some crops and with more cold temperatures forecasted for the UK in the coming weeks there may be further impacts on the harvest. Cauliflower, savoy and cavolo nero have been most affected market wide, with impacts to quality.

Apples - the European season is nearing its end, and it has been one of the worst on record, primarily due to early season frosts. As a result, there is a limited supply of small sized fruit. Granny Smith apples are currently the most affected variety. The South African season will begin in April, at which point we expect conditions to improve.

Potatoes - This season we expect shortages of salad potatoes due to the low carryover stock from last season. Large bakers are also anticipated to be in very short supply, due to the lack of time they had to grow following late planting. We expect the problems to carry into next year due to the shortage of seed potato available for planting in the early part of this year

### Wheat

Despite the upcoming National Insurance rate increase, we are continuing to see favourable Wheat market conditions.

### Meat

Beef inflation is continuing. The market is up 27% year on year (Feb 24 to Feb 25). There has been a 13% increase since January 2025 and prices are at an all-time high. Demand remains strong and total cattle numbers are forecast to be down 5% this year when compared with PY, which will mean prices may continue to rise.

We would recommend looking to move away from beef in favour of more cost-effective proteins such as chicken or pork.