Market Movers

October 2026

NHS Supply Chain

UK Key Market Movers (CPI)

The Consumer Price Index (CPI) is a key measure of inflation in the UK.

Latest Inflation Figures as of May 2026*:		
Foodservice Price Index (FPI)		**0.2%**
Food Price Inflation (CPI)		**1.3%**
Retail Price Index (RPI)		**3.4%**
Consumer Prices Index (CPI)		**3.5%**
Producer Price Index (PPI)		**-0.9%**

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

Summary:

The Consumer Price Index (CPI) rose to 3.5% on October 21st in the 12 months since September 2026, up from 3.1% in September, drive by further rises to fuel costs.

The 12-month inflation rate for food and non-alcoholic beverages was 1.3% in August 2026, unchanged from July. The rate was last lower in September 2021 when it was 0.8%.

The Retail Price Index (RPI) is now 3.4% vs 3.2% last month.

While raw material food inflation is currently low in comparison to other factors such as fuel, the ongoing war in Ukraine, Middle East conflict and El Nino impact are all adding pressure to the supply chain. The underlying cost pressure has not gone, and its impacts may be delayed as manufacturers hedged energy costs.

While CPI gives a whole country view and lists fuel as the main driver for inflation, prices by product remain volatile due to both weather and fuel.

Inflation Outlook

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Unprecedented Summer temperatures and drought across UK and Europe have hit yield, size and quality of certain products.

Bakery

Wheat: This commodity is in an inflationary state, due to the heat and droughts across many European countries the yield so far this year has dropped significantly. We're hopeful that as the year progresses small deflation will start to show with a fluctuation in weather and harvest.
Sugar: Due to a drop in sugar beet production, we could expect to see some minimal inflation in this area. Production and Yields are currently tracking c.8% down YoY as a result of the prolonged dry hot weather. Prices remain volatile whilst we navigate through these pressures and any deflation wouldn't be expected to hit until early 2027 due to the above points.

Fish and seafood

White fish remains a key inflation risk, with continued cost pressures on cod and haddock driven by reduced catch quotas, higher fishing and processing costs, sanctions affecting Russian supply, and global trade pressures. These market conditions are expected to keep prices elevated in the near term and may require menu flexibility and alternative species to mitigate budget impacts.

Dairy

Dairy markets are facing increasing inflationary pressure as extreme heat and drought conditions across Europe reduce milk yields and raise production costs for farmers. Lower milk availability is creating greater competition among processors for supply, tightening the overall market.

Expect ongoing cost pressures across key dairy categories, including milk, cheese, butter, cream and yoghurt, over the coming months. If adverse weather conditions persist, supply constraints and further price increases are likely, creating additional budget pressures for healthcare catering services and requiring close monitoring of dairy contracts and menu costs.

Meat

While meat has not yet seen the impact of drought it is expected that meat will experience inflation over the Winter due to lower carcass weight, the costs of additional feed (where grass was not available) and increased vaccinations owing to a hot Summer.

Pork remains the clearest value opportunity in the protein range this quarter. UK production has run ahead of forecast at around 5% above 2025, and healthy European availability is supporting stable pricing.

Inflation Outlook

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Fruit and vegetables

Weather: Prolonged heat, drought conditions and water restrictions across the UK and Europe are creating pressure across the Fresh Produce category. Growers are experiencing pest pressure, reduced yields, smaller produce due to the lack of water with availability challenges to continue through August.

Brassica: Hot weather and reduced rainfall are challenging the growing conditions which will continue for the next few weeks across , Broccoli, Cauliflower, Red, White, and Sweetheart Cabbage. Concessions are in place, expect smaller than spec crops.

Tomatoes: Expecting to see challenging supply and quality for the next few weeks, the heat is causing reduced shelf life especially on Beef and Plum tomatoes. Isle of Wight production is improving weekly but not fully recovered.

Peppers: Tight market due to heat, Spanish quality is impacted by the heat, however Dutch growers are harvesting immature fruit to maintain shelf life which may affect quality and taste.

Cucumbers: Unstable supply and limited volumes due to heat affecting yields. Tight availability expected until new season arrival.

Mushrooms: Hot weather is affecting the compost cooling, this is delaying the harvest and leading to reduced yields and sizes. Most impact seen on large mushroom lines.

Root Vegetables: Potatoes & Parsnips: The lack of water over Summer is affecting the Root Vegetable crops. The hardground is not taking the water, therefore irrigation is ineffective. Baking potatoes will be affected the most due to the sizing, expect to see issues with 40's and 50's in the coming season. In addition to this Parsnips are seeing smaller roots and lower yields, leading to reduced quality. Potential to review Christmas menus.

Rapeseed Oil - The rapeseed oil market continues to experience significant volatility driven largely by heightened geopolitical uncertainty and weather events. Energy markets remain elevated by continued conflict in the Middle East, which are supporting elevated rapeseed oil prices. Russian attacks on key Ukrainian ports and low Rhine water levels have created logistics delays in edible oil markets. Finally, a strong El Niño is predicted to remain through the remainder of the year impacting vegetable
oil production globally.

As the inflation outlook is high especially in the areas of

- **Bread**
- **Milk**
- **Root vegetables including potatoes**

To alleviate cost pressures the recommendations would be to buy seasonal produce, review switches and menu rationalisation where viable with your customer account manager.

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