

September 2024

### 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	-1.8%
Oil and Fats	11.5%
Breads and Cereals	-0.2%
Vegetables	2.2%
Meat	1%
Sugar, Jam, Syrups, Chocolate and Confectionary	6%
Fish	-3%
Fruit	2.1%

### Inflation Figures

The CPI rose by 2.2% in the 12 months to August 2024, unchanged from July. The annual inflation rates in August reflected offsetting movements in different product groups. There was upward inflation movement, most notably in transport, offset by downward movement in restaurants and hotels.

Inflation in food and non-alcoholic beverages eased for the 17th consecutive month with prices rising by 1.3% in the year to August, down from 1.5% in the year to July.

Latest Inflation Figures as of August 2024*:	
Food Price Inflation (CPI)	1.3%
Retail Price Index (RPI)	3.5%
Consumer Price Index (CPI)	2.2%
Producer Price Index (PPI)	0.9%

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

### Fish and Seafood

Norwegian cod prices have surged dramatically since the end of 2023, reaching an all-time high due to the US ban on Russian cod. While the new quota may provide some relief, prices are expected to remain elevated for the foreseeable future.

Salmon prices are expected to rebound in the coming months. With current lower prices and strong supply, Norwegian suppliers are likely to take advantage by freezing stock, which could drive prices up when they are released at higher rates.

Consider Alaskan pollock or hake as an alternative to Norwegian cod. Chalk Stream trout is also a stable priced alternative to salmon if prices start to spike.

### Beef

Deadweight cattle prices have been rising consistently since July in both the EU and UK. The total UK cattle population saw a 2% reduction, driven by declines in the beef breeding herd.

Less supply across Europe is putting more pressure on UK exports. As a result, we expect prices to remain elevated.

Consider alternative proteins such as poultry or pork to help mitigate costs on menus.

### Fruit and Veg

Potato harvesting is continuing, with early indications that salad/small potatoes (Mids) and larger baked potatoes will be problematic this season. This is due to a reduced growing period following weather-related delays and lower plantings. We won't know the full extent of this season's harvest until November when most of the crop has been lifted from the ground.

There have been some quality concerns with new season white cabbage, with some increased oxidation on the outside of the product. Red cabbage is also seeing some problems.

Challenges are also apparent with Green Beans, with tall weeds affecting the efficiency of mechanical harvesting.

Consider kale or spinach as an alternative to cabbage. Green beans can be replaced with broccoli. For potato alternatives, we recommend carrots, cauliflower and butternut squash.

### Dairy

Milk shortages continue in the market. Production is down 1% YoY, which equates to 20 million litres. This is linked to producers channelling milk into more profitable commodities such as cheese, which is driving prices upwards. The rising profitability of butter due to increasing prices could support butter production for the rest of 2024.