

Market Forecast

FOR THE HOSPITALITY AND CATERING INDUSTRY



Lynx Purchasing lynxpurchasing.co.uk

Autumn/Winter 2022

FOCUS ON BUYING DISCIPLINE THIS CHRISTMAS



High inflation, along with increased labour, energy and transport costs, and lower consumer confidence, are all part of the bleak big picture that hospitality and catering operators will have to endure this winter and over the peak Christmas trading season.

The sector has welcomed news of government support for businesses on energy costs and tax measures, although trade bodies are also calling for more immediate, targeted support for hospitality through measures such as VAT concessions and changes to the business rates regime. In the meantime, the reality is that consumers are feeling the pinch now, and will think carefully about discretionary spending in the short term.

The fall in the value of sterling also has an impact on the prices of key commodities such as cooking oil, coffee and many others, which are traded in dollars.

All of which means that the earlier operators plan menus and update suppliers on their expected ordering levels for the Christmas and New year trading period, the better. Keeping suppliers in the picture, and letting them know in good time about reduced order levels, is a better strategy than placing last minute orders for stock that may not be available.

More than ever at this time of year, a strict focus on sensible, planned buying can make a significant difference to margin and profits for hospitality businesses. Tips to improve buying discipline include:

- Buy the most cost-effective pack size, whether a box, case, or tin
- Check orders carefully, report incorrect or damaged goods to the supplier, and make sure your account is credited
- Avoid delivery charges by meeting minimum order amounts
- Be organised, plan ahead and order in good time
- Avoid last-minute purchasing - so you order from the right supplier.

Inflation

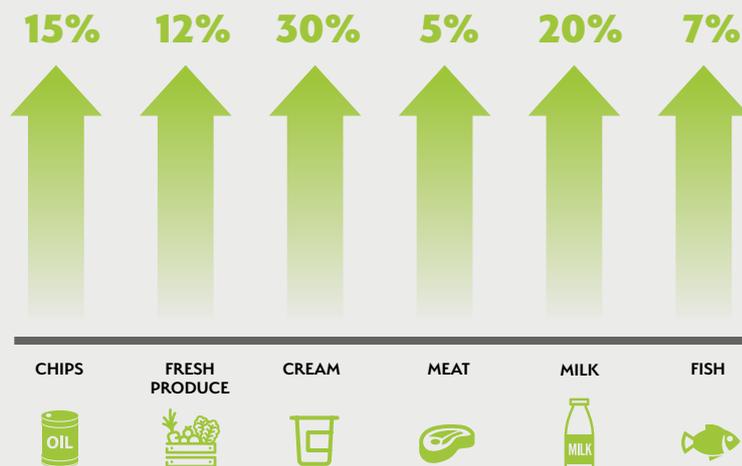
The Bank of England expects inflation to peak at above 13% in the third quarter of 2022, and does not expect the rate to return to its 2% target until 2024. The August 2022 inflation figures showed significant increases in food prices across the board. The average price of a restaurant meal was 9.9% higher year-on-year.

THE LYNXOMETER

Our basket of the most commonly delivered items in autumn 2022 is

UP 15%*

*Compares basket prices from October 2021 with October 2022





DAIRY



Dairy producers have struggled to fully pass on the significant increase in costs. As a result many have cut back on production. This saw prices for milk, butter and cheese, as well as cream used for food manufacture, rise sharply this year, although the cost is now starting to stabilise. Egg supply is also impacted by avian flu.

Offer milk substitutes for hot drinks and desserts.



CANNED TOMATOES



Widely used in catering, there are material shortages of tinned tomatoes, and suppliers are seeing some previously agreed contracts cancelled. Availability will be a key issue, and where there are supplies, operators should expect significant price increases.

Revisit recipes to use alternative sauces and veg where possible.



COOKING OIL



The availability and price of cooking oil remains a challenge, as the war in Ukraine continues, despite agreement to release some supplies. Sunflower oil is used for frying as well as in the production of a broad range of essential food products.

Manage your cooking oil correctly to get maximum life out of it, use filters and clean both the oil and the fryer.



POULTRY



The continuing effects of avian flu means that all poultry suppliers face additional challenges to meet demand, over and above the impact of generally increased costs. Turkey is likely to be particularly affected in terms of price this season.

Speak to your poultry supplier about availability in good time for Christmas menus.



SALAD

Dutch producers are major year-round suppliers of salad lines such as fresh tomatoes and cucumbers. The extreme high temperatures in the summer affected the quality of produce, and some growers are now reluctant to step up production due to the increased cost of heating greenhouses.

Use salad garnishes and accompaniments sparingly to avoid food waste.





VEGETABLES



Hot weather has also had an impact on root vegetables including parsnips and beetroot, as well as cauliflower, cabbage and broccoli crops. With both quality and quantity affected, prices can be expected to increase as demand rises towards Christmas.

Use "served with seasonal veg" on menus to allow flexibility.



MEAT



Feed costs have risen significantly in 2022, due both to the disruption to grain supplies caused by the Russian invasion of Ukraine, and overall cost increases. There have been reductions in beef and pork production, as producers balance increased costs against returns. Prices for the most popular meat cuts are likely to be high.

Speak regularly to suppliers about the best availability.



FISH AND SEAFOOD



Unpredictable autumn weather means less fresh fish is caught in UK waters. Cod volumes have been lower all year as Russian vessels previously supplied a significant amount of cod imports into Europe. This has had a knock-on effect on prices for other white fish such as pollock. New quotas this autumn will improve availability, but with global demand for white fish strong, prices will remain high.

Use seafood specials to vary the species according to availability.



POTATOES



The summer drought across much of Europe raised serious concerns about the size and quality of the 2022 potato harvest, and the new season's crop has been significantly affected. Expect prices to rise for fresh potatoes, as well as frozen and chilled products, such as chips and roast potatoes.

Operate strict portion control to maintain margins.



FRUIT



While orchard fruit producers initially saw yields reduced by the impact of the extreme heatwave, British apple supplies have improved, and availability and quality are reasonably good. Pears are also in good supply. Imports of citrus fruit are available, but higher transport costs have impacted prices of limes in particular.

Spotlight classic desserts such as crumbles and pies.

Better Buying Support



As well as our three times yearly Market Forecast, Lynx Purchasing has developed a range of practical tools, available on our website, to support operators.

These include:

- **Seven Habits of Highly Effective Purchasing Teams - New 2022 Edition** - this is an updated version of our popular insight guide, reflecting the challenging new landscape the hospitality industry now has to navigate. Efficient, cost-effective purchasing has never been more vital, and this guide challenges many of the bad habits that operators can easily fall into, as well as promoting good practice.
- **Surviving Winter 2022:** As energy costs soar, hospitality operators need to look at every plug, device, and gadget used in the business, and revisit every process from switching on in the morning to switching off at shutdown to save costs. Compiled with the help of our energy partner, this guide will help you better manage soaring energy costs this winter.
- **The GP Calculator App:** The essential tool for every kitchen. Now more than ever, with prices so volatile, chefs and managers need to have a clear view of menu pricing and adapt where necessary. Available to download for Apple and Android, the Lynx Purchasing GP App enables operators to quickly calculate menu prices based on target GP, or the GP achieved based on menu price.

Menu Trends

Instead of simply going out to dinner, the latest premium trend is pop-up culinary experiences. First seen in the US and expected to follow in the UK and Europe, examples include guided travel between different restaurants to enjoy each course of a meal, and gourmet picnics created by chefs and served in scenic locations.

Restaurants may need to rethink their approach to tables as more diners feel comfortable about eating out alone, according to research by booking specialist Resy. Almost one in three people have dined alone, saying they prefer their own company and timings.



Seasonality Guide

BEGINNING OF SEASON

- Red cabbage
- Brussels sprouts
- Artichokes

IN SEASON

- UK Apples
- Butternut squash
- Parsnips

END OF SEASON

- Aubergines
- Raspberries
- UK salads



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Saving your business time and money every day

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 like-for-like products at lower prices and often better quality than operators could obtain by negotiating alone.

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