



# LYNX PURCHASING MARKET FORECAST

SPRING 2016

[www.lynxpurchasing.co.uk](http://www.lynxpurchasing.co.uk)

## WATCHING THE WEATHER

The UK's unpredictable weather means caterers are likely to face uncertain supplies and higher prices for a range of produce this spring. The long, mild spell that lasted through November and into December has left both growers and produce suppliers waiting to count the cost.

While newspaper stories during the very mild start to winter were all about wild flowers still blooming, farmers and growers were more worried about crops planted in the autumn also having an early growth spurt. This could mean they will either be harvested earlier, or will struggle to sustain quality right the way through until picking.

Some seasonal veg staples such as carrots, parsnips, cauliflowers and cabbage have already been picked early, requiring a switch to more expensive imports as home-grown supplies run low later in the spring. With the floods in some parts of the country also having an impact, customers planning menus for restaurants, pubs and hotels should expect to see some challenges in terms of both price and availability on salads, soft fruits, root crops and green veg.



## STEAK CUTS

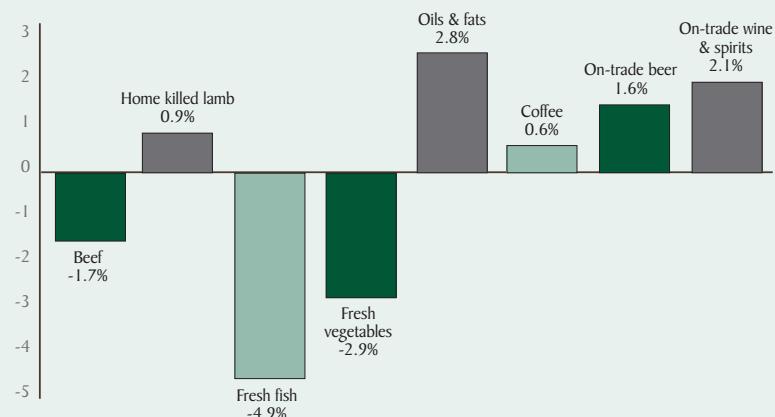
Different steak cuts go through peaks of popularity, with fillet currently seeing a resurgence as more operators bring it back as their premium dish on the menu. Ribeye and rump steaks are also very popular, while sirloins seem to be out of favour, making this cut, by comparison, a better value option.

Using specials boards to keep the offer flexible, and working with meat suppliers to buy according to availability and price, will help to manage costs. The same will apply to beef joints for Sunday roasts and carveries, with the best value available to operators able to vary the offer.



## THE INFLATION FACTOR

The Consumer Prices Index (CPI) rose by 0.3% in the year to January 2016, marking the third consecutive month of small increases. Price rises in food and alcoholic beverages were both cited as factors. Year-on-year price changes shown in the more detailed RPI inflation measure include:

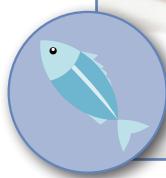


## SMALLER SEA BASS

The popularity of sea bass on menus is starting to have an impact on both size and availability of the species. Over the past few years sea bass has moved from being a special to a regular dish on many menus in the branded pub and casual dining sector, and that inevitably increases pressure on supplies.

Almost all sea bass on menus is farmed, and suppliers are now getting smaller fish from the main producers in Turkey and Greece. This can affect margins because it may take two fillets instead of one to make a main course, and in the longer term those smaller fish never have the chance to grow to maturity.

Operators are advised to look at alternatives on the specials board this spring and summer. Pollack and cod are forecast to be in good supply, and flat fish at their best quality, with good availability and pricing, should include brill, dabs, Dover sole, megrim and witch.



## SALMON LEAPS IN PRICE

Farmed salmon prices have risen dramatically since last autumn, with Norwegian prices hitting a 30 year high at the start of the year. This was triggered by production problems in Chile, which is a major importer to Russia. In response, Russia has relaxed

its restrictions on importing Norwegian salmon. With demand also strong in Asia and America, Scottish salmon has also seen price increases, leaving caterers likely to be paying higher prices for salmon at least until the summer.



## LAMB AND PORK PRICING

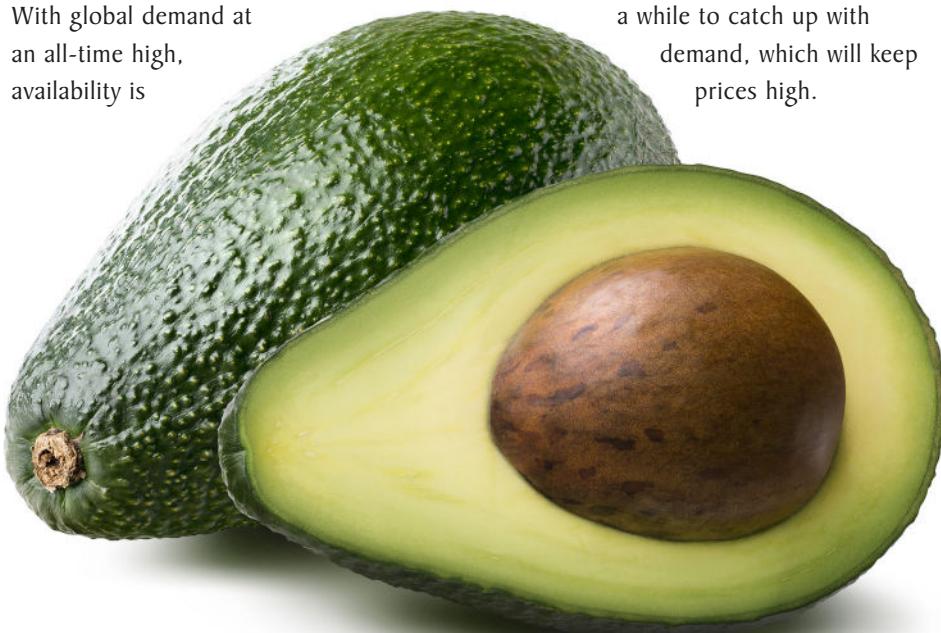
Spring lamb will see the usual seasonal price increases, due both to its popularity on menus and demand from supermarket retailers to secure stocks for Easter promotions. Pork also faces challenges, with UK pig farmers having cut back production due to low prices, and a weaker pound pushing up the cost of imports from Europe. As a result, the price of both bacon and pork legs is likely to be higher.



## AVOCADO ANXIETY

Avocados are increasingly popular with UK caterers, both in 'superfood' salads and in Mexican dishes. With global demand at an all-time high, availability is

tight due to significantly lower harvests, and prices are now rising sharply. It takes several years for new plants to produce fruit, so growers will take a while to catch up with demand, which will keep prices high.



## POTATOES

Stocks are keeping well, with market prices relatively low as both UK and European crops were strong last year.

## SALADS FEEL THE HEAT

Warm weather in Spain at the beginning of the year was not ideal for crops, leading to quality issues with tomatoes, cucumbers and peppers. Spain is likely to harvest both cherry and plum tomatoes early, leading to a dip in supply by May, until UK and Dutch crops become available.



## BANANAS UP

With the pound weaker against the US dollar, there is price pressure on imported fruit, particularly bananas. A switch by more supermarkets to fairtrade bananas will increase demand for the ethically-sourced variety.



## BERRIES ON THE WAY

UK supplies from glasshouse growers should be available from early April, with the outdoor crop from May onwards. With the harvest of crops such as strawberries, raspberries and blackberries all very labour intensive, the introduction of the National Living Wage will potentially affect prices.

## WINE & BEER

Wine supplies are generally good, and price increases are expected to be modest. There may be price benefits in moving wine lists between regions, with wines from Chile, South Africa and New Zealand all in strong supply thanks to good harvests. With several major brewers having imposed beer price rises in January, operators are advised to shop around for better deals.



## OILS INCREASE

Rapeseed and soya oils are expected to see price increases, with both in higher demand globally as alternatives to palm oil, which is in short supply.



## FUEL FOR THOUGHT

Caterers hoping to see a supply chain benefit from the fall in global oil prices are likely to be disappointed, as other factors are working against suppliers. There is still a shortage of experienced drivers, pushing up wage costs. Increased security at the channel ports means

that lorries are taking significantly longer to bring in imports, while the weaker pound means import prices are higher in the first place.

From April, the National Living Wage will also have a significant impact on the costs of UK growers. Overall, we expect the supply chain element of the cost of food and drink to remain stable, despite the falling oil price.



## FULL OF BEANS

Brazil is forecasting a bumper harvest for coffee beans this year, a trend which saw prices on the commodities market fall by around a third year-on-year in January. With the major branded coffee chains unlikely to cut prices, it's an opportunity for independents to expand their coffee menus.



**Lynx Purchasing works with more than 2,200 businesses including hotels, pubs, restaurants, care homes and education providers. Lynx offers caterers access to the best prices in the market, with no fees or contracts. Lynx customers also benefit from detailed market insight, enabling them to plan menus more effectively.**



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### THE MILL AT STOKESLEY: AWARD WINNING PUBLICAN SUPPORTED BY LYNX PURCHASING

The Mill at Stokesley in North Yorkshire is a thriving pub thanks to the vision and hard work of chef Alex Cook, who took over the business at the start of 2014 as a tenant with Star Pubs & Bars, and was named Best Newcomer at the Star Pub Awards 2014.

Since day one, Alex has worked with buying specialist Lynx Purchasing to ensure he gets the best prices on a range of essentials. Fresh meat and fish, groceries, frozen food and cleaning & hygiene products are all bought at prices negotiated with leading industry suppliers by Lynx, who have also arranged Alex's utilities and telecoms contracts for the pub.

The benefits of using a buying specialist were clear. "When you're setting up a new business, you simply don't have time to go out and check the best prices with a range of different wholesalers and suppliers."

An important driver of food trade at the Mill at Stokesley is its regular special menu days, which include chicken on a Monday, fish & chips on Tuesday, two steak meals for £20 on Wednesday, and a two-course Sunday lunch at £10.95.

Alex says: "You have to be able to serve the meals without compromising on quality and at the same time be sure that you will make the right margin on the food. With Lynx, we've been able to negotiate some fixed-price deals that are in place for six months on some of our key food purchasing, which enables us to promote our deals."

#### The benefits of working with Lynx include:

- No fees
- No contracts
- No buying ties – just buy from the suppliers you choose
- Access to Lynx's purchasing power
- Big financial savings

#### The process is simple:

- Customers trade with any one of their suppliers
- Order direct from them
- Pay the supplier directly
- Take advantage of the competitive Lynx Purchasing prices
- Impartial advice