

Summer 2017 Market Forecast

For the hospitality and catering industry



Lynx Purchasing

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Keep calm and carry on cooking!



The foodservice industry will be fervently hoping for some economic stability as Brexit negotiations get seriously underway after the General Election.

With almost two years of negotiations between Britain and the EU ahead, it seems inevitable that there will be constant political debate about the outcome on both sides of the channel. We can only hope that the markets continue to take a pragmatic view.

The impact of the fall in value of sterling after the Brexit vote has now been more or less priced in by suppliers, so there is potentially a period of greater stability ahead if the markets focus on the real picture rather than constantly react to political speculation.

The long-term impact of Brexit on food and drink will be decided by the nature of the deal in a range of areas, including farming and fisheries

policy, import tariffs, and the availability of migrant labour.

Whatever the outcome, it will be several years before anything changes, and so the best advice to operators is to plan menus around the current situation, make the most of seasonal availability, work closely with suppliers and examine every cost centre to see where savings can be found. We'll have plenty of notice of anything that's changing.

Call Lynx Purchasing on 01325 377845 or your local business manager to find out what more you can do to stay on top of rising prices.

UK inflation

The Office for National Statistics reported that the rate of inflation seen in the Consumer Prices Index was 2.6% in April 2017, up from 2.3% in March. The more detailed RPI measure found that the average price for meals eaten out of home rose by 2.8% year-on-year.

£1 was worth

As of May 26th 2016**

€1.31
\$1.47

As of December 23rd 2016**

€1.17
\$1.23

As of May 25th 2017**

€1.15
\$1.29

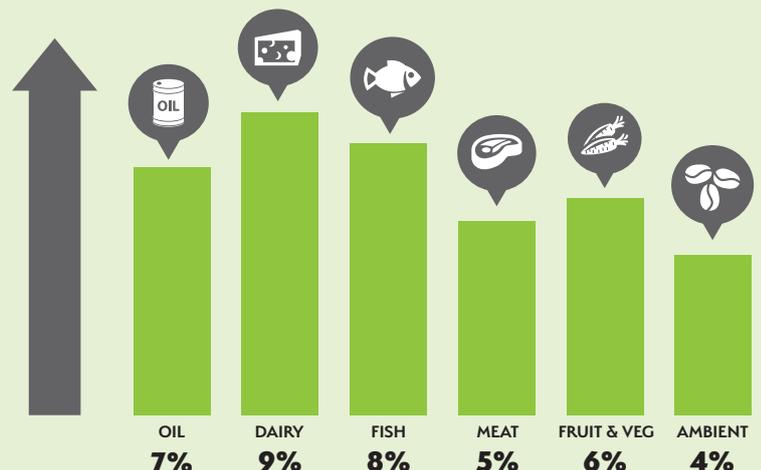
THE LYNXOMETER

Our basket of the most commonly delivered items in summer 2017 is

UP 6%*

*Compares basket prices from June 2016 with June 2017

**Bank of England spot rates





Meat



Operators face a pricing challenge when it comes to putting meat on menus this summer, with a range of factors in play. Higher global demand is a major challenge, with more Irish beef, New Zealand lamb and EU pork going to regions such as China and the Middle East. UK producers are also exporting more as

a result of the fall in value of sterling. With beef, as well as high seasonal demand for prime steak cuts such as ribeye, the continued popularity of gourmet burger and steakhouse style menus is driving strong demand in foodservice for the trimmings used to make burgers and other dishes.

Highlight the provenance and quality of meat across the menu to encourage customers to pay a premium.



Beverages

Although operators have seen significantly higher prices for coffee over the past year as a result of supply problems compounded by the fall in the value of sterling, this should ease over the coming months; the International Coffee Organization is forecasting a good global harvest for both Robusta and Arabica beans this year, which should keep prices steady.

Offer a speciality hot drinks menu, including liqueur coffees, as a choice after meals.



Vegetables & Salads

Market prices of potatoes have been high following a poor UK crop last season; the quality and volume of potatoes in storage has run very low with imported crops needed to make up the shortfall. Better news is the arrival of the British leafy salad season, followed

by peppers, tomatoes and cucumbers. UK grown peas and broad beans are ideal as seasonal summer veg to accompany main courses, as well as UK grown Chinese vegetables such as pak choi, bok choi and choy sum served alongside spicier dishes.

List 'summer vegetables in season' as a menu accompaniment, and offer a fresh summer salad as an alternative to potatoes.



Avocados

The media has given plenty of coverage to high avocado prices; the popularity of Mexican-style menus continues to have an impact on supplies, and since avocado plants take years to mature, growers can't simply catch up with

rising demand quickly. At the moment, global demand is reportedly up around a third year-on-year, which will put significant pressure on market prices for the next few months.

Use the FREE Lynx Purchasing GP Calculator to ensure all dishes reflect changing ingredient costs. Check out lynxpurchasing.co.uk for more details.



THE LYNXOMETER



Meat
5%



Fruit & Veg
6%





Ambient

Grain is likely to be expensive until UK crops are harvested at the end of the summer, after dry weather across Europe and heavy snow in the US pushed the market price up globally. This has a broad effect on menus, as animal feed cost will rise as a result. But the immediate challenge will be higher prices for staples such as flour and bread, as well as a wide range of mixes and sauces made with wheat and other grains.



Use a choice of speciality breads such as wraps and paninis to upsell your sandwich menu to customers.



Fish

Summer is the best time for chefs to plan to use a wider range of fresh fish on the menu. The arrival of better weather means more day boats are out fishing so the range of species available widens. As ever, operators who can plan menus around availability will see the biggest benefits, with brill, hake, lemon sole, plaice and turbot all likely to be good value across the summer.

With salmon farms cutting harvests and pushing up market prices, freshly caught fish becomes an even more attractive option for operators.

Talk to suppliers to order the best fresh fish available and use specials boards to spotlight your offer.



Dairy

The availability of cream, used for making butter and cheese, has been low for some time, putting upward pressure on prices. With better returns from butter than cheese, there could be challenges with cheese supplies later in the year if production stays low for a longer period.



Create a premium cheese board as an after-dinner option using local and speciality cheeses.



Fruit



UK grown strawberries are now at their best in terms of availability, quality and price, and will be closely followed onto the market by raspberries and blackberries. Chefs can also create a diverse range of sauces and desserts using blueberries and gooseberries, while English rhubarb will remain in good supply until the end of the summer.

Along with summer desserts, add seasonal British fruit to cocktails and soft drinks to create an appealing drinks menu.

Summer menu trends

Beef is now the most popular protein on restaurant menus, having overtaken chicken, according to the MCA Menu & Food Trends Report 2017. The report also found that operators are looking to make better margins on starters and side dishes, in part to balance the higher cost of beef.

Producers of British charcuterie have reported a Brexit benefit – more UK restaurants are serving home-cured salami, chorizo and other air-dried meats as a result of the weakness in sterling.

Demand for vegetarian options continues to rise with many health-conscious customers following

a flexitarian diet. Operators, particularly pubs, should buy more vegetables and broaden their meat-free offering, especially during the summer months.

Street food continues to grow. More chefs are using Middle Eastern, Mexican and Thai-based ingredients increasing demand for more exotic spice blends such as cumin, ginger and caraway.

Breakfast is tipped to become big business this summer with stronger flavours and textures and international influences, including cheddar cheese, carnitas and chorizo.



Oil
7%



Dairy
9%



Fish
8%



Ambient
4%

Meet the team

Howard Pearson



Job: Sales director, Lynx Purchasing.

Role: Supporting our business managers to improve our customers' bottom line.

saved their business money every day and that we keep our word - no fees and no contracts.

Ambition: To change the perception of purchasing companies as 'middlemen' and get our industry recognised for what we truly are: specialist consultants and partners that add real value.

Expertise: Having run cafés of my own, I understand the operational challenges facing our customers and use my experience in sales to find deals that make a real difference to their business and their profitability.

Biggest challenge for 2017: Building more and even better relationships with suppliers so we can continue to create value.

Best moment: Whenever I see the penny drop with a new customer that Lynx is different. Some customers don't really want to work with a purchasing company or have had bad experiences in the past. I love it when they see how we've

Quote: "Over the past year, we've made many changes at Lynx Purchasing to improve and widen our offer to clients and give them an even better service including adding more senior staff. We've built up a network of fantastic non-food suppliers and can now help customers find better contracts in many areas from pest services to utilities, and this is an area we are going to expand because the hospitality industry is so fast moving that it's hard for operators to stay on top of so many different cost centres. But as their partners we can do it for them."

Email: howard@lynxpurchasing.co.uk

Customer insight:

Seaham Hall - a prestigious hospitality operator supported by Lynx Purchasing

Award winning five-star hotel Seaham Hall is achieving substantial savings on food, disposables and utilities through its four-year old partnership with buying specialist Lynx Purchasing.

Ross Grieve, Managing Director of Luxury Lodge Estates Company, said: *"Lynx Purchasing undertook a complete audit of our buying and were able to quickly identify areas where we could get much better prices, without any compromise on our high standards, by switching suppliers."*

Seaham Hall now buys a range of products and services at prices negotiated by Lynx Purchasing. *"Lynx continually monitors the market and is able to offer insight and advice on pricing trends and anything else which might affect availability. As a result, we've gradually expanded the range of products we buy through Lynx's suppliers."*

Last year, Ross asked Lynx Purchasing to carry out buying audits at two holiday sites, Clowance Estate in Cornwall and Whitbarrow Village in the Lake District to see where savings might be made. Based on its recommendations, the two sites are now buying fresh and frozen food, non-food disposables, and beers, wines and spirits from suppliers recommended by Lynx. In addition, a waste management contract has been negotiated through a Lynx supplier, along with one of the essentials of 21st century life – WiFi.



Spotlight on...

Saving money on services

It's easy for automatic renewals on service contracts to slip under your radar - sometimes for years and years - and especially if it's an area of your business that's outside your expertise or interest. But with inflation likely to continue to affect all business costs for the near future - especially food and drink - saving money in areas that won't affect menus or front of house service quality will give your business a resilience that will keep you ahead of the competition.

Lynx can help you buy better in 29 product and service categories - saving your business money every day with trusted suppliers across a range of non-food sectors. We can help you source and buy utilities and professional services in HR, training, business rates, waste management, pest control, telecoms, cellar gases and merchant card services.

If you have service contracts that you haven't reviewed recently or think you might be paying more than you should for essential services, give us a call. We're happy to review all of your contracts, saving you time and money that you could spend where it counts - on your customers. We'll also set up systems to make sure that the only service contracts you'll renew next year are the best value ones.

Save your business money every day, call Lynx Purchasing on 01325 377845.

LYNX
PURCHASING

Lynx Purchasing works with more than 2,200 customers 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.

As purchasing professionals, Lynx works with leading suppliers in the hospitality and catering industry. These include wholesalers, specialist fresh food suppliers, catering equipment providers, utilities, and specialist service providers such as telecoms, business rates and waste management consultants.

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