

# Summer 2019 Market Forecast

For the hospitality and catering industry



Lynx Purchasing

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There is much better news in produce terms, though. Weather conditions have been kind, with no 'beast from the east' or similar challenges, and most crops are expected to be good quality across the summer. With so much else uncertain, including who will be leading the country and what impact that will have on the ongoing Brexit negotiations, this is a very good time to make sure robust buying practices are in place.

practice, with plenty of British produce at its best in term of quality, availability and value.

Sustainability issues are also in the news, with the government confirming that single use plastic items including stirrers will be banned from April 2020. Bars and restaurants will not be allowed to display plastic straws or automatically hand them out, but will be able to provide them when asked.

We are continuing to work with our customers and suppliers to promote sustainable sourcing, including our membership of the Sustainable Seafood Coalition, and our commitment to working with suppliers who trade ethically in areas such as product sourcing and tackling modern slavery.

More details of our Sustainability Programme, as well as a FREE download of our 'Seven Habits' guide, are online at [www.lynxpurchasing.co.uk](http://www.lynxpurchasing.co.uk)

Even though most catering and hospitality operators don't need any reminders that the market is currently very tough, there have been some unwelcome indicators of the challenges facing the sector recently.

In the same week that the Jamie Oliver restaurant business was put into administration, the Market Growth Monitor from CGA and AlixPartners showed that the number of restaurants in Britain fell by 2.8% in the year to March 2019. The figures show around 15 businesses are closing each week, including both independents and group restaurants.

A pre-Brexit buying check could make all the difference to being ready for whatever is to come.

While every operator has to deal with similar challenges in terms of rising costs and lower consumer confidence, it's important to remember that there are also costs that can be controlled. Our FREE insight guide, 'The Seven Habits of Highly Effective Purchasing Teams', details seven proven ways that operators can make simple improvements to their purchasing, to generate substantial savings that can mean the difference between staying profitable or going under. Summer is a great time to put these buying principles into

## UK inflation

The headline UK inflation rate in May 2019 was 1.9%, down from 2% a month before. The more detailed RPI inflation measure showed that the overall cost of eating out rose by 3% year-on-year, including a 2.7% increase in restaurant meals.

**£1** was worth

As of October 1st 2018\*\*\*

£1.13  
\$1.30

As of March 1st 2019\*\*

£1.16  
\$1.32

As of June 14th 2019\*\*

£1.12  
\$1.27

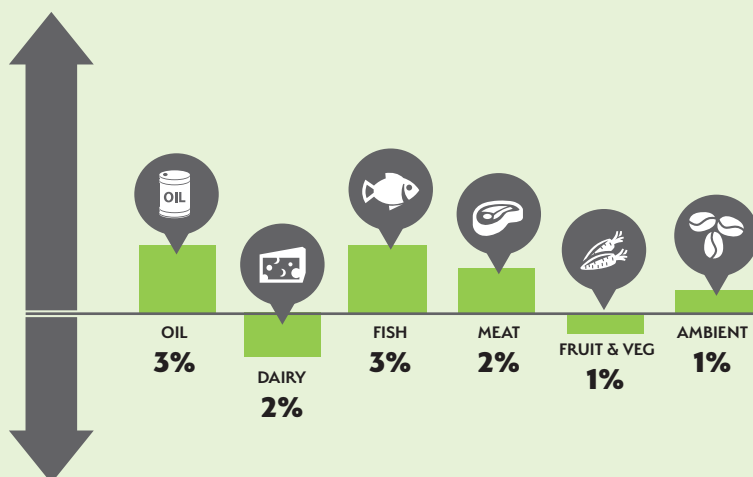
## THE LYNXOMETER

Our basket of the most commonly delivered items in Summer 2019 is

**UP 2%\***

\*Compares basket prices from May 2018 with May 2019

\*\*Bank of England spot rates





## Shellfish

Native lobsters are at their best from June to September and can be an interesting alternative to crab, where prices have been driven higher by demand from China. Native king scallops will also continue to see strong wholesale prices, while queen scallops should be avoided due to sustainability issues.

**Work with suppliers for the best availability of sustainably caught native shellfish.**



## Dairy

UK milk production over the winter was excellent, in part due to the increased use of concentrated feed by dairy farmers to compensate for the lower grass growth in the hot summer of 2018. The higher cost of feed will have to be factored into dairy prices at some point, although quality will also remain high.

**Feature high quality regional cheeses as a premium cheeseboard option on summer menus.**



## Meat

There have been expected seasonal increases in the price of home produced beef, lamb and poultry, with higher demand for cuts popular for barbecue and grill menus. UK lamb is in demand for export to France in particular, while imported beef is in shorter supply, both of which have a pricing impact.

**Ask suppliers about alternative cuts, which can be better value and boost sustainability by making use of the whole animal.**



## Vegetables

Jersey Royal potatoes have been very good quality and value this year, which is a good indicator of a better overall potato crop than last year, when supplies were affected by the weather. Home-grown carrots, broccoli and courgettes are also expected to be high quality.

**Use 'served with fresh, seasonal veg' to maximise profit opportunities.**



## Coffee



Very low coffee prices on the commodities markets have prompted some producing countries to raise questions about the welfare of growers, and call for minimum pricing.

With customers increasingly concerned about sustainability issues, operators should be aware of the source of their coffee.

**Ensure that you serve fairtrade or other ethically sourced coffee, and highlight this on the menu.**



## Berries



The British berries season has started well, with strawberries to be followed by raspberries, blueberries and blackberries as crops ripen. With

berries expected to be high quality thanks to good growing conditions, operators should make the most of the opportunity.

**As well as desserts, use fresh berries to flavour and garnish cocktails and spritz-style drinks.**

# THE LYNXOMETER



Meat  
2%



Fruit & Veg  
1%







## Fish and seafood

There is a strong export market for UK wild caught fish, as well as increasing domestic demand as it becomes more widely recognised as an environmentally friendly source of protein. Farmed seafood can often be better value, and although there have been some concerns, farmed fish is a more sustainable option provided it is properly certified. As alternatives to salmon, farmed bass, bream, turbot and halibut will be in good supply.

**Adapt recipes for best-selling fish dishes to use ethically farmed species.**



## Wild mushrooms

A range of mushroom varieties are available across the summer, including morels, St Georges and puffballs. August will see Scottish grown Girolle mushrooms in season for a few weeks, bringing a fresh and fruity tang to dishes.

**Appeal to vegetarian and vegan customers by featuring wild mushrooms in specials, changing variety as the season progresses.**



## Pork

With pig herds in China afflicted by an outbreak of swine fever, there is expected to be an increase in pork exports from both the US and Europe. With the summer months routinely seeing an increase in demand, operators should be prepared for higher prices on the most popular cuts in particular.

**Use the best available pork cuts, and keep menu descriptions flexible to get maximum value.**



## Salads

As supplies of cos, iceberg and little gem lettuces switch from imports to UK grown crops across the summer, there's an opportunity to appeal to the growing number of consumers looking

for healthier options on menus. Produce including watercress, spring onions and celeriac is also good quality. High demand for peppers, tomatoes and cucumbers mean UK supplies are at a premium, but growers in Spain and Holland can meet demand.

**Spotlight summer salads as an accompaniment to grilled meat and fish.**

## Menu trends

Many children's meals in the eating out sector contain high levels of salt, according to lobbying group Action on Salt. Its analysis suggests that 41% of meals contain more than 1.8g of salt per serve, the target for children's meals set by Public Health England. The group said this represents "dismal" progress on a similar survey carried out in 2015.

The vegan menu trend continues to grow, with Mintel reporting that UK food suppliers are leading

the world in vegan product development. Pret A Manger plans to convert many of the newly-acquired EAT outlets to its Veggie Pret format, while Wagamama has launched a vegan kids menu.

Meanwhile, WRAP has launched a new food waste reduction campaign called 'Guardians of Grub', aimed at tackling the £3bn of food thrown away annually by hospitality and foodservice outlets.



Oil  
3%



Dairy  
2%



Fish  
3%



Ambient  
1%



# Spotlight on...



## Holmes Care Group

Holmes Care Group is achieving savings on essential purchases, without compromising on the quality and high standards it provides to residents, thanks to its partnership with Lynx Purchasing.

Founded in 1982, Holmes Care is an award-winning family run care group, providing care and support to more than 800 people at its 14 locations around the UK, and employing over 1200 people.

Holmes Care has been working with Lynx Purchasing for seven years, and continues to expand the range of products and services it buys from leading industry suppliers at prices exclusively negotiated by the Lynx Purchasing team. As Holmes Care director Mac Lakhani explains, *"Disciplined purchasing is absolutely crucial to our business, in terms of maintaining our high standards while getting the best value we can."*

Lynx Purchasing has established an agreed buying list of core products which deliver the best value for the business, and also works to mitigate price increases. At the group's most recent price review, increases in a number of product lines, such as dairy, amounted to an annual increase of £20,700 across the group. However, by switching certain lines, it was possible to achieve savings of £20,300.

*"Where prices were going up in some instances we were able to make savings in others, and come as close to a zero increase as possible. It all boils down to the passion of the team at Lynx for what they do, which reflects in what they do for us,"* says Mac.

**Save your business money every day,  
call Lynx Purchasing on 01325 710143.**

## Meet the team Gemma Abbott



### Job: Business Manager

#### Role:

To help small/medium businesses buy more effectively by using Lynx services and suppliers. I help my customers achieve their goals, whatever they may be, in a purely advisory and consultative manner. I pride myself on honesty and integrity in what I do.

#### Expertise:

I worked for an FMCG company for several years so understand how suppliers operate with independent customers. Having run my own business for seven years employing 14 members of staff, I can also completely empathise with customers over the huge amount of responsibility, accountability, stress and pressure that comes with running a business. These experiences combined with eight years at Lynx help me see the bigger picture and find the best solutions for customers.

#### Biggest challenge for 2019:

Accepting that 'uncertainty' is the new 'normal'. Three years on from the EU Referendum, customer expectation and value for money remains extremely relevant for all businesses.

#### Best moment at Lynx:

Finding a £41k per annum saving on my latest customer audit with more

savings to be found on tweaking a few more core lines. The best moments from a company perspective are our team building/supplier days. Highlights included white water rafting and the Crystal Maze in London. Who knows what we'll do for our next supplier conference!

#### Hobbies/ambitions:

At work, my ambition is to keep learning about suppliers and their capabilities. Personally, I've been inspired to take up running again having stopped for 10 years. I'll be running my first half marathon in September and my aim is to complete it before everyone has packed up and gone home! My life ambition is to be a good mummy to my two boys and take them to Disneyland one day.

#### My tip:

Here's a few. Keep your eye on market-priced suppliers who will inevitably have to react to market price movements, especially bacon at the moment. Make use of Lynx's supplier price holds to safeguard your GPs. Multi-utilisation of products on the menu and a 'specials' board to stay flexible. Use the Lynx GP App. Look after your customers and they will look after you. My more successful customers all share one thing in common: excellent customer service!

## LYNX PURCHASING

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.

As purchasing professionals, Lynx works with leading suppliers in the hospitality and catering industry. These include specialist fresh food suppliers, wines & spirits, catering equipment providers, utilities, and specialist service providers such as telecom, business rates consultancy and waste management.

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