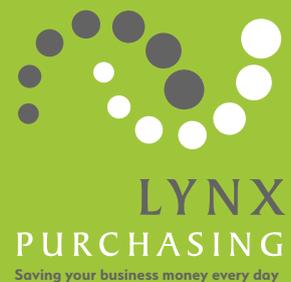


Market Forecast

FOR THE HOSPITALITY AND CATERING INDUSTRY



Lynx Purchasing lynxpurchasing.co.uk

Spring 2021

OPERATORS MUST STAY ALERT IN A CHANGING SUPPLY CHAIN



Hospitality and catering businesses can be forgiven for hoping for as few complications as possible as the sector works towards reopening this spring, after the long shutdown imposed as part of official measures to tackle the COVID pandemic.

The physical challenges of ensuring that shut-down areas, both kitchens and front-of-house, are operational and compliant with the stringent safety requirements the industry will have to meet are enough in themselves. Combined with remotivating staff teams and reengaging customers, there's plenty of challenges to be getting on with.

Any hope that the supply chain will tick along by itself is, sadly, likely to be in vain. There is no

room for complacency, despite inflation having been at relatively low levels over recent months. While delays caused by hiccups such as the large container ship which blocked the Suez Canal for almost a week will be relatively short-lived, some issues have the potential to cause longer term problems. These include:

- A global shortage of shipping containers adding to the cost of transport, which is in turn having an impact on the price of many commodities;
- Shortages of many of the plastics used in product packaging, which again causes price increases;
- Post Brexit, longer lead times and increased bureaucracy has to be factored into the cost of many imported menu staples;
- As more countries take their own steps towards reopening, increasing international demand will affect prices across many products.

While some suppliers have been able to absorb increases during the lockdown, operators will need to stay alert to likely changes in pricing over the coming months, and budget accordingly.

FACT FILE

1.5%

annual increase in the cost of meals eaten out of home to March 2021 (ONS)

5,975

net decrease in the number of hospitality businesses in 2020 (CGA)

£52.48

average amount consumers expect to spend on their first post-lockdown hospitality visit (money.co.uk)

£1 was worth

As of March 13th 2020**

€1.13
\$1.25

As of October 8th 2020**

€1.10
\$1.29

As of April 26th 2021**

€1.15
\$1.39

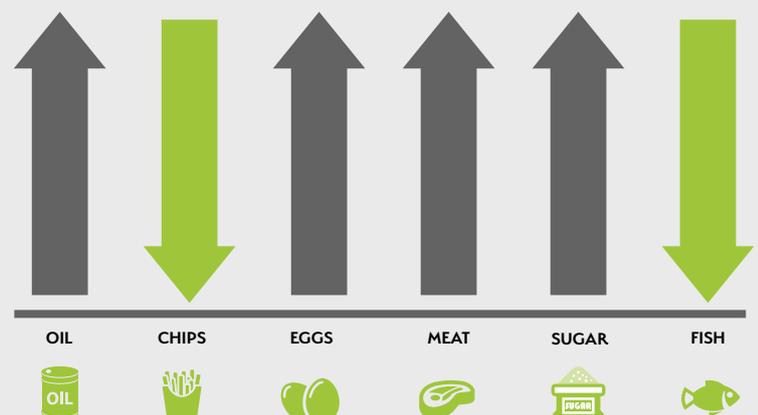
THE LYNXOMETER

Our basket of the most commonly delivered items in spring 2021 is

UP 2%*

*Compares basket prices from April 2020 with April 2021

**Bank of England spot rates





FISH & SEAFOOD



Questions about the sustainability of fish and seafood have continued to make headlines in the media. Operators can engage customers by offering a broader range of species on menus, as well as potentially benefit from the value, quality and availability of UK-caught produce that would otherwise go to the export market. Suppliers should be able to provide information on provenance and sustainability, as well as on preparation of less familiar species, along with recipe advice.

Work with suppliers to offer 'UK catch of the week' and 'market fish' menu options.



WINE



Wine importers have warned that increased bureaucracy will add to the cost of wines from the EU. Further afield, the flooding seen in Australia in March will impact the grape harvest in some regions.

Feature a 'wine of the month' on the drinks list, and ask the wine merchant to recommend the best value lines.



DAIRY



Increases in cattle feed prices are expected to filter through into the cost of milk, butter and cheese, although a slight increase in UK dairy production is forecast this year, which could help to balance this. The export challenges that premium UK cheese producers have faced since the start of the year offer opportunities for hospitality operators to feature local cheeses on menus.

Promote a premium British cheese board as a dessert option, and highlight the provenance.



COFFEE



Higher global transport costs are having an impact on the price of coffee, with many speciality blenders and roasters likely to need to pass on price increases to customers.

Use premium coffee serves, as well as coffee cocktails, to maximise the profit margin on coffee.



STORE CUPBOARD

Products such as sugar, rice, wheat, fruit juice and vegetable oil, which are traded globally, are particularly affected by higher transport costs, with prices likely to increase across the rest of the year. Higher retail demand for these commodities also continues to have an impact on hospitality prices.

Don't over order as this increases supply problems, but place orders for staple products in good time.





FRUIT & VEG



Fresh produce suppliers have factored in the increased time and paperwork involved in importing from Europe post-Brexit, but this inevitably has some impact on price. On the plus side, this has spurred UK producers to increase crops of a range of produce including asparagus, tomatoes, cabbage, broccoli and soft fruits. While there are still concerns about the availability of experienced pickers and packers, if this can be addressed, there will be a good choice of seasonal British produce for spring menus.

Feature seasonal British vegetables in home-made dishes to maximise value.



MEAT & POULTRY



There has been a reduction in the total supply from meat and poultry producers in the UK and Ireland, which combined with continued strong retail demand is likely to mean higher prices and lower availability for hospitality, particularly of more popular cuts, across the spring and summer. The arrival of the barbecue season will see increases in demand for steak, burgers and poultry. With lamb prices also high, pork is likely to represent the best value for operators.

Keep menus flexible in order to use the best value cuts according to availability.



POTATOES



The shutdown of foodservice across much of Europe led to a surplus of frozen chips and some good value pricing. However, as the hospitality sector reopens, demand and prices will return to more normal levels. The first of the 2021 Jersey Royal potatoes are now available, although these are polytunnel grown and more expensive, with the outdoor harvest due later in the spring. Cyprus potatoes are also coming into season, and are good quality ahead of the UK crop in the summer.

Offer a choice of potato dishes as sides and accompaniments to maximise value.

SEASONALITY GUIDE

BEGINNING OF SEASON

- Crab
- Mackerel
- Watercress

IN SEASON

- Jersey Royal potatoes
- Asparagus
- Rhubarb

END OF SEASON

- Venison
- Root vegetables
- Apples

Free Up Time And Money To Rebuild Your Business

With demands on your time from every quarter from retraining staff to reconnecting with customers, we know that every second counts. With Lynx on your team, we can save you and your management precious time. In addition to helping you control your budget and expenditure, we can source any new products you need, work with you to develop profitable menus and plan ahead.

Our free 'Back in Business' toolkit is packed with practical ideas on how to restart your business and be more profitable. To download, visit www.lynxpurchasing.co.uk or give us a call on 01325 710143 for more info and insights.



Sustainability Update



GET THE FACTS RIGHT

Lockdown has given rise to an increased focus on healthy eating and sustainability; demand for vegetarian meals and seasonal local foods has also gone up. Where food comes from and how it's produced will come under the spotlight even more over the coming months as we open our fridges to products from more countries to build a post-Brexit/post-pandemic supply chain. To build trust with customers, getting the facts right on your menus is important.

Fish and seafood is a good place to start. The fishing industry has come under intense scrutiny recently fueled by the controversial Netflix 'Seaspiracy' film launched at the end of March. The film highlights the many challenges the fishing industry faces in order to be a globally sustainable ethical food producer. But it's not the whole story and the UK fishing industry has a better record with many positive programmes to ensure sustainability and to protect the environment. For more information,

read Seafish organisation's blog - **Responding to Seaspiracy: 10 reasons to feel good about seafood in the UK** at seafish.org and our blog on seafood at lynxpurchasing.co.uk

Reassure your customers by sourcing your seafood from accredited suppliers with a minimum BRC 'A' accreditation. This ensures full traceability of seafood supplied with regular checks and audits showing that you are doing all you can to serve only sustainable and ethically sourced seafood and avoid endangered species and unethical practises. Highlight this on your menu or join the Sustainable Seafood Coalition to give customers the confidence when making their choices.

If you would like us to health check your menus against any or all of these issues, please call us on 01325 710143 or email us at hello@lynxpurchasing.co.uk.

Menu Trends

Restaurants and cafés are set to be the biggest beneficiaries of post lockdown demand, according to research by CGA. Almost a third of consumers, 32% for restaurants and 31% for cafés, plan to visit in the first few weeks of full reopening, ahead of pubs and fast food venues, both at 25%.

Independent operators are also expected to benefit, according to a Kantar study, which suggests that cautious consumers will stay close to home initially, and plan to support local and neighbourhood restaurants.

The growth in demand for plant-based dishes is set to continue once operators reopen, with figures from Deliveroo showing that deliveries of plant-based meals grew by 163% in the year from the initial lockdown in March 2020.



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PURCHASING**
Saving your business 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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