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MPP Seasonal Marketing Guide for Food Buyers and Caterers

WELCOME TO THE SUMMER EDITION OF MPP'S SEASONAL MARKET GUIDE FOR FOOD BUYERS AND CATERERS - GIVING YOU THE INFORMATION YOU NEED TO HELP YOU MAKE BETTER BUYING DECISIONS.

We love the sunshine but the ongoing high temperatures are now impacting farmers and producers - and in turn, product prices. Read our article to understand more about the issues facing growers and why many prices are on an upward trajectory.

Our economic review shows that UK growth is stable and that employment rates are increasing. There's not a lot of movement in FX rates either but with the political climate still so volatile, we're keeping a close eye on the situation.

A warning - watch out for potential chicken shortages over the next few months. If you'd like more information about this or any products you purchase for your business, give us a call to talk things over. We're here to help and advice on all of your purchasing needs.

My Purchasing Partner will source the **high quality goods and services** that *you* need to exceed your customer's procurement expectations - and to maintain profitable margins. **Call us on 0800 121 6440**

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THE BIG PICTURE

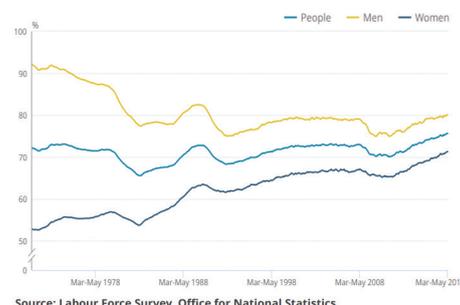
The economy

Analysts, such as PWC, are projecting that UK growth will remain modest for the rest of the year, predicting 1.3% growth in 2018, increasing to 1.6% in 2019. This is due to continued subdued real consumer spending growth (chart here Mark: <https://www.pwc.co.uk/services/economics-policy/insights/uk-economic-outlook.html>) and a slowdown in business investment due

to ongoing uncertainty about Brexit negotiations.

On the positive side, employment rates this month remain at a 40-year high, there is a strong global economy and the pound remains competitive. This has boosted UK exports and inbound tourism, a trait expected to continue throughout 2018.

seasonally adjusted
January to March 1971 to March to May 2018



It's not all fun in the sun!

The current heat wave rivals the infamous Summer of '76. On the whole, the population is happy, especially as the sunshine has lasted into the start of the school holidays. Yet we can't ignore the downside to the continuous heat as crops fail, prices rise and there's a shortage of carbonated drinks and beer.

Above 27°C plants stop growing

Farmers and producers are becoming increasingly anxious about the impact of the heat on crops and livestock. At temperatures above 27°C, irrigation keeps plants alive but they are no longer growing. Plants include grass, as well as crops, so farmers are using winter fodder to feed their animals and ensure milk production.

The lack of available water for irrigation means that we are likely to see shortages of UK-grown crops in the near future. The British Leafy Salads Association said the UK crop of salad leaves was 75% of the usual yield, while demand had increased by as much as 40%. Other crops, including celery, onions, carrots, broccoli and cauliflower, are also being affected by high temperatures stressing the plants..

Demand is currently being met by importing from the US, Spain and Poland. One wholesaler is quoted



as having to import about 30% of its iceberg lettuce and 40% of its celery from Spain and Poland, when usually supplies come from the UK.

The impact of this is that wholesale prices have soared by more than 30%, carrots by 140%, as the recent heatwave exacerbates problems from delayed planting due to the cold and wet weather earlier this year.

So far, prices in supermarkets, which generally agree a contract price with farmers before the season, are not rising but farmers, wholesalers, restaurants, cafes and smaller stores are likely to be hit by rises throughout the summer. We'll keep you informed about how this impacts you.

Keep cool, keep safe

As well as keeping ourselves and those we care for hydrated and out of the sun as much as is possible, it's important to check that your fridges are keeping

food at the correct temperatures. Guidelines state that a fridge should run at 4C or below, and a freezer at -17C.

Consider too your food preparation areas. Bacteria grow faster in warm temperatures so keep food cool as long as possible.

Continuing CO₂ Shortage

Food grade CO₂ provides the fizz in carbonated drinks and beer and is used in food packaging. This year we have the perfect storm: increased demand during the recent football World Cup and the recent run of hot weather, and decreased production as plants are offline for maintenance.

If you are concerned about your carbonated drinks supply, please get in touch with us immediately. We have options to help support you through this hopefully limited shortage.

Exchange rates graphs source: www.exchange-rates.org

IN THE MARKETS



This summer we are seeing inflation in some core food categories such as dairy, EU chicken, trim beef and lamb. The very high temperatures across the UK and Europe are impacting the growth and quality of fresh produce, and we will see shortages in products such as herbs. Prices for both pulp and plastic are also increasing, which will push up the cost of packaging as we head into the second half of 2018.

Great British Seasonal Produce

TOP 5 CHOICES

Watercress



Raspberries



Beetroot



Artichoke



Peaches



SAY GOODBYE TO...

Rhubarb



Spring Greens



DAIRY

The cold and wet weather which hit the UK in the early months of 2018, combined with heat now, have impacted on the quality of grass. This in turn has pushed up the price of butter, cheddar and cream driven by shortages of milk fat in the market caused by the poor quality grass. We are seeing steady inflation in costs and predict this will continue over the summer as no-one will commit to long term contracts.

CHICKEN AND PORK

Pork prices are remaining stable this year as a decrease in production is balanced out by increase in carcass weight. Lamb prices are decreasing, as is usual in summer, however they remain higher than last year as fewer than usual lambs are available for slaughter.

BROCCOLI

The hot weather and lack of water is

impacting the weight and quality of the florets. Watch out for browning and loose florets.

GREENS AND HERBS

An increased number of pests enjoying the hot weather will impact overall quality. Expect shortages over the summer as growing seasons start later and the heat reduces growth.

MANGE TOUT AND SUGAR SNAP PEAS

Potential shortages due to poor weather and high volumes of rain, particularly in Kenya.

CARROTS

UK carrot production could be down as much as 40% this year due to the drought, with higher prices brought about by decreased supply around for many months.

PRAWNS, HADDOCK AND PLAICE

Norwegian cold water prawn prices have increased year-on-year as domestic demand increase and supply from Canada decreases. Haddock prices have increased by around 25% as quotas have been cut whereas Plaice prices have dropped as catch sizes increase.

SUGAR

Sugar prices are up month on month as global production falls by approximately 2%. However, prices may remain the same or even fall as EU production is booming.

TEA

Tea production in Sri Lanka is up 10% compared to this time on year ago, however prices remain high due to rain damaged plantations earlier this year.

HEADS UP

Chicken concerns cause supply chaos

Chicken prices continue to rise around the world, including in the UK, and this is expected to continue for the rest of 2018 at least. In mid-April 2018, the EU took the decision to ban the import of chicken from 20 of Brazil's largest poultry processing companies due to

concerns about Salmonella within the Brazilian flock and poor sanitation procedures during processing of birds. This subsequent sudden gap in supply, coupled with increased demand from countries such as China, has caused the price increase.

Price Alert - trim beef

Demand for beef continues to rise in the UK, particularly for trim beef used in burgers. The trend for diners to enjoy upmarket burgers has been seen in many pubs and restaurants over the past few years, and is also reflected in the number of burger restaurants now on the UK high street and in malls.

The UK is only 60% self sufficient for the supply of beef and is reliant on imports to meet domestic demand. This combined with increased demand from Asia is pushing up prices, a trend expected to continue throughout 2018.

Insta-Food

Beware! What you're serving could soon be all over social media as the trend to photograph food and share the images continues. Until recently, what the food looks like has been more important than the taste, however, the rise of "rating" meals, means that food needs to look

good and taste even better. Be aware, that whilst Millennials lead the way in plastering food shots on social media, others are following suit and all sorts of websites are now logging what is being produced by restaurants, pubs, hotels, hospitals, schools and even care homes.

Helping you buy better

My Purchasing Partner is working hard to source the products that your customers demand. We closely analyse the markets and negotiate with suppliers to alleviate volatile pricing impacts on our customers. Be assured that whilst we cannot control the future, we can be smart and transparent about what is happening.

We pledge to keep you abreast of developments and give you the information and tools necessary to

support your strategic business planning. Look out for our next market report as we head towards winter and visit our new website for latest information. In the meantime, if you have any questions, feel free to contact us on :

info@mypurchasingpartner.co.uk
or 0800 121 6440

Thank you for your continued support.

Promotional Weeks Summer 2018

23RD AUGUST
NATIONAL BURGER DAY

<https://www.nationalburgerday.co.uk>



1ST - 7TH SEPTEMBER
NATIONAL LAMB WEEK

<http://www.nationalsheep.org.uk/lovelamb/>

13TH SEPTEMBER
INTERNATIONAL CHOCOLATE DAY

17TH - 23RD SEPTEMBER
NATIONAL RICE WEEK

<http://www.riceassociation.org.uk/content/1/48/national-rice-week-2018.html>



20TH - 21ST SEPTEMBER
LUNCH!

<https://www.lunchshow.co.uk/>

22ND - 7TH OCTOBER
BRITISH FOOD FORTNIGHT

<http://www.lovebritishfood.co.uk>

