



## MPP Seasonal Market Guide for Food Buyers and Caterers

WELCOME TO THE WINTER EDITION OF MPP'S SEASONAL MARKET GUIDE FOR FOOD BUYERS AND CATERERS. THESE QUARTERLY MARKET REPORTS ARE DESIGNED TO GIVE YOU THE INFORMATION YOU NEED TO HELP YOU MAKE BETTER BUYING DECISIONS.

The implications of the Brexit vote in June have come to dominate the UK economy, and this was reflected in the Chancellor's autumn statement. Towards the end of 2016, food commodity prices have generally come under inflationary pressure, after being relatively stable in the first half of 2016. A key factor here has been the weakening of the pound. Poor spring weather which delayed harvests and

reduced yields was also partly responsible for rising prices, with some product categories including potatoes, garlic, onions, dairy and oil particularly affected by poor regional weather conditions.

The UK inflation rate, based on the Consumer Price Index (CPI), and influenced by rising food prices and air fares, rose by 0.9% in the year to October. The rate is set to peak at 2.6 in mid-2018.

At MPP we make it our business to get the keenest prices and the best value for our customers. Call us for the latest prices and availability of a wide range of produce:  
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# THE BIG PICTURE

## The economy

The Chancellor is predicting lower growth for the medium term, but the Office for Budget Responsibility (OBR) says there will be a recovery over the next two years, with GDP up to 2.1%. The 15% fall in the value of the pound is most serious for companies who

rely on imports. And since 40% of the food consumed in the UK is imported, there will be price increases and costs will have to be absorbed or passed on to consumers.

The National Living Wage, which came

into effect in April 2016, will probably increase operating costs and pricing in food supply, catering and hospitality because these sectors employ large numbers of relatively unskilled, low-paid workers. The NLW will increase in April 2017 from £7.20/week to £7.50/week.

## Consumer trends - sustainable fish



The 16th annual Global Aquaculture Alliance conference, held in China this year, was all about 'healthy fish, healthy people, and healthy planet'. Disease across all farmed species is still the biggest worry for the industry, and the conference gave many examples of how this is being tackled. Social responsibility was also high on the agenda. The conference emphasised the need for management to look for continuous improvement, to be prepared for problems, rather than to react to crises. The challenge for the industry was stated as the need to produce an extra 140 million tons of fish by 2050.

In the light of this, a survey earlier this year carried out for the Marine Stewardship Council (MSC) takes on added significance. It found that one in six people in the UK, going for 'the healthy option', are eating more fish and seafood than they were a year previously. The sustainability of fish

stocks therefore becomes ever more vital. The MSC is an international non-profit organisation which addresses the problem of unsustainable fishing and works to safeguard future supplies. It works with fisheries and businesses around the world, and its blue MSC label and fishery certification programme recognise and reward sustainable fishing practices, and influence the choices people make when buying seafood.

The Sustainable Fisheries Partnership (SFP) also plays a part in this, providing information and advice to the seafood industry to promote and encourage better practice. SFP's FishSource database provides access to information on the status of fisheries, with this information linked to SFP Metrics, a software system that advises corporate partners on the sustainability of the fish they are looking to buy. The public is becoming more and more

knowledgeable on these issues, and buyers are taking this on board. So as well as pricing, quality and current availability, their recommendations increasingly reflect the need to conserve stocks. Currently favoured breeds which are caught in UK waters include brill, hake, mackerel, plaice, sardines, Dover sole, monkfish and squid. Tilapia are available from China and currently represent good value. Specific breeds to avoid include warm water prawns, unless certified by GAA-BAP (Global Aquaculture Alliance - Best Aquaculture Practices) or ASC (Aquaculture Stewardship Council), as these are often produced in ways which are harmful to the environment.

Right now, volumes of cod and haddock are relatively light and prices steady, with exchange rates affecting imports. Poor catches in the Atlantic, and for Russian and Norwegian vessels, have affected prices for headed and gutted (H&G) fish, and these will probably continue to increase. New measures recommending a reduction of Indian Ocean yellowfin tuna catches from January 2017 are expected to cause an increase in global prices through next year, while sea bass is another species whose prices have been hit by exchange rates. Japan's fishing season for salmon is set to be the country's worst in 30 years, which is pushing up prices, while prices for Scottish and Norwegian farmed salmon also continue to rise because of limited supplies.

# IN THE MARKETS

The prices of many crops – including chillies, lettuce, cucumbers, tomatoes, broccoli, aubergines, celery, courgettes, fennel, mushrooms, avocados and asparagus – have been affected over the year only by currency, generally to the order of 25%. However, weather conditions have had significant impact on a number of products.



## POTATOES

The UK 2016 crop was affected by high rainfall throughout the country during the planting season, followed by higher than average temperatures later in the year. The results include a shortage of large baking potatoes. Mainland Europe experienced similar weather conditions, compromising its ability to offset shortfalls in UK yields. Global demand for chips is growing, and late planting and strong EU demand have pushed up prices, a trend expected to continue into 2017.

## ONIONS

Winter supplies originate from the UK, Spain and the Netherlands. Yields are low all round due to lack of rainfall during the summer, although good quality is expected through the winter.

## GARLIC

Main winter supplies are from China and Spain. However, output from China for 2016 is over 20% down because of low temperatures, and from Spain 40% down (due to oversupply in 2015 which prompted growers to reduce production).

## FROZEN VEGETABLES

Across Northern Europe, high rainfall in early 2016 followed by a cool spring, affected many produce lines with delayed (or impossible) harvests and fungal diseases. The most severely affected crops included peas (UK, France), spinach and cauliflower (Belgium, Germany), beans (France). Sterling depreciation has also pushed up prices.

## LIMES

Supplies, which are predominantly from Mexico and Brazil, were hit by heavy rains which adversely affected growing conditions, followed by mixed weather during the harvest – a sequence of events which encourages disease. At the same time, demand in Europe and the USA remained high through the summer, which will affect winter volumes and drive up prices.

## PINEAPPLES

Bad weather in Costa Rica, which along with Brazil is the main winter supplier, interrupted production and drove up prices by up to 100%. This has been combined with drought in Thailand, Indonesia and the Philippines which resulted in farmers picking too early. Juice prices are expected to remain high, as is usual when there is a shortage.

## MEAT AND POULTRY

EU meat prices generally rose through the year, a result of internal price gains and high demand from Asia, and limited supplies in Australia/New Zealand also contributed to higher prices.

Beef prices rose through the summer and have been holding firm in the run up to Christmas. The seasonal peak in demand has been similar to 2015. Pork prices continued to rise in mid-November, driven by strong export demand due to weaker sterling, combined with increased production costs.

Similarly, with 30% of UK lamb being exported, the low value of sterling has made it more attractive to producers, pushing up prices in the UK. Thus prime lamb prices are edging higher in the run-up to Christmas. According to Meat Promotion Wales, securing a tariff-free Brexit deal is critical for Welsh lamb in terms of pricing and profitability.

For poultry, warm weather earlier in the year meant lower volume as a result of reduced food consumption. However overcapacity within the EU has maintained competitiveness and kept prices low – but Brexit and minimum wage rises could add millions of pounds to the poultry industry's labour bill in the coming years, industry leaders have warned.

## DAIRY

2015 had seen many farmers culling herds, focusing on cost Farm gate prices having been pushed down to unsustainable levels due to the removal of quotas and the ban on exports to Russia. The market has this year seen increased demand from Asian countries, plus recovery in demand from Russia, China, USA and Algeria. As a consequence, demand now exceeds supply, and with producers seeking to capitalise on the rising milk prices by increasing output, 2016 has seen a resurgence in prices, set to continue into November in the top EU milk-producing countries – UK, Germany, France, Netherlands and Poland. Overall, trade in dairy products was expected to rise by 1.5% in 2016.

# HEADS UP

## Report food crime



The Food Standards Agency's National Food Crime Unit (NFCU) has launched 'Food Crime Confidential'. The idea is to help people working in or around the UK food industry to report food crime safely and in confidence, by phone or email. Food crime is defined as 'financially motivated dishonesty relating to food production or supply, which is either complex or results in serious detriment to consumers, businesses or the overall public'.

The NFCU works with partners to

protect people from serious criminal activity that affects the safety or authenticity of food and drink they consume. It wants to hear from anyone who has suspicions about:

- food or drink that has may have been adulterated or substituted
- illegal or substandard methods for producing, processing, storing, labelling or transporting food
- businesses that are selling food or drink while making false claims over quality, health benefits or place of origin.

## Salmonella risk in salads

A report in the journal Applied and Environmental Microbiology suggests that bagged salads could harbour a salmonella risk. Salad leaves are an important part of a healthy diet, and consumption of leaves has surged, but they are highly perishable and require rapid processing and special packaging to keep them fresh.

In recent years they have been associated with a growing risk of food poisoning. This comes from bacterial pathogens such as salmonella enterica; the microbes responsible may originate from contaminated soil or processing.

The research was carried out by a team at the University of Leicester's Department of Infection, Immunity and Inflammation. They showed that exposure to salad leaf juice may contribute to the persistence of

salmonella on salad leaves. The report strongly emphasises the need to ensure the microbiological safety of fresh produce, pointing out that washing contaminated leaves in water won't get rid of the bacteria.

The chances of a salad bag being contaminated by salmonella or other bacteria in the first place are actually very low. The main point of the report is that if salmonella is present, it can quickly grow to potentially poisonous levels, even if the salad bag is inside a fridge. The scientists concerned recommend a common-sense, vigilant approach. Bags of salad containing 'mushy' leaves, should be avoided. Rewashed bagged salads could still be washed to provide an extra level of reassurance and any salad stored in a fridge should be used as soon as possible.

## PROMOTIONAL WEEKS WINTER 2017

**9-15 JANUARY**  
**NATIONAL OBESITY AWARENESS WEEK**  
[www.jan-u-ary.co.uk](http://www.jan-u-ary.co.uk)

**2 FEBRUARY – 8 FEBRUARY**  
**BRAMLEY APPLE WEEK**  
[www.bramleyapples.co.uk](http://www.bramleyapples.co.uk)

**5 FEBRUARY**  
**BRITISH YORKSHIRE PUDDING DAY**  
[www.national-awareness-days.com/british-yorkshire-pudding-day](http://www.national-awareness-days.com/british-yorkshire-pudding-day)

**9 FEBRUARY**  
**NATIONAL PIZZA DAY**  
[www.nationaldaycalendar.com/national-pizza-day-february-9](http://www.nationaldaycalendar.com/national-pizza-day-february-9)

**27 FEBRUARY – MARCH 12**  
**FAIRTRADE FORTNIGHT**  
[www.fairtrade.org.uk](http://www.fairtrade.org.uk)

**2 MARCH – 8 MARCH**  
**BRITISH PIE WEEK**  
[www.national-awareness-days.com/british-pie-week](http://www.national-awareness-days.com/british-pie-week)

**MARCH 23RD – 29TH 2016**  
**NATIONAL BUTCHERS WEEK**  
[www.nationalbutchersweek.co.uk](http://www.nationalbutchersweek.co.uk)

## Antimicrobial resistance review

The Food Standards Agency has published a systematic review, produced by the Royal Veterinary College, of evidence on antimicrobial resistance (AMR) in food. The review looked at the areas where consumers are most likely to be exposed to AMR in bacteria from the food chain. It was based on evidence

published between 1999 and 2016 for meat, dairy products, seafood and fresh produce sold in shops. And it confirmed the need for extra surveillance of AMR in food at retail level, to support the wider programme of work currently underway across government to help reduce levels of AMR