

Market Report

June 2025

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Overview

June brings more **UK grown produce** into the market across many of the fresh fruit and vegetable categories. Whilst there will be an overall softening of prices in some areas, instability still remains with imported varieties.

Meat and poultry continues to face significant challenges, namely tight supply on UK beef and avian flu, affecting both chicken and egg production.

UK food inflation rose for the fourth consecutive month to a one year high in May, driven by fresh food prices with wholesale beef being a significant contributor. The Office of National Statistics shows overall inflation at 4.1% for April with food and non- alcoholic beverages continuing to rise at 0.7% month on month to 3.4%.

The recent **National Insurance** hikes continue to work their way through the market, with suppliers and clients alike still processing the impacts to their businesses. We expect this to continue throughout the remainder of the year.

Our report will take you through the most recent developments in each category.

Reach out today and find out how our team can help save you money on your food purchases - hello@procurement-partners.co.uk



Meat & Poultry

- Supply remains tight in the **beef** market as suppliers look to secure stock to fulfil existing client requirements. This is affecting pricing on seasonal cuts such as burgers and BBQ items. With UK production set to fall by around 5% yoy, demand is driving prices up on EU sources – which in some cases is now surpassing UK levels. After sharp increases of c. 12% in January, February and March beef pricing has started to stabilise, we don't expect this to start to fall in the coming months.
- **Lamb** pricing remains high, reportedly up 10% vs. this time last year. Surplus old season lamb is providing some price benefit in the market, however this is expected to shift in the coming weeks as the new season filters into the market.
- Supply of **Pork** has increased– up around 4% yoy. This has provided some decline in pricing over the last few months but is now stabilising with reductions of around 1% in some cases. Pork remains a cost effective and sustainable solution on menus.
- Increased summer demand is having an impact on the **poultry** market in addition to the supply challenges driven by the Avian flu outbreaks. Pricing on poultry is running ahead of inflation as the UK still battles outbreaks of Avian flu, with pricing up by c. 10% YoY. The EU poultry market is showing early signs of recovery with prices stabilising and volumes returning to the market.
- On 22 May 2025, the UK government approved the **French duck** vaccination programme for commercial duck farms after a thorough evaluation. The programme has significantly reduced avian influenza cases in France's poultry production, helping to stabilise supply chains and support trade between France and the UK. Exports to the UK are expected to restart following confirmation of operational arrangements.
- Turkey prices remain high (at around 25% up on last years prices) which is unusual for this time of year as prices would normally be favourable in the post Christmas period. Turkey production is in decline as farmers look to switch into chicken to benefit from shorter raising timeframes. It's never too early to think about Christmas 2025 orders!



Seafood

- **Whitefish** pricing continues to rise with uncertainty around quotas and US tariffs, with prices up by 12% in some cases. Traditionally cheaper species such as Pollock, Coley and Basa are increasing in price as buyers seek alternatives to plug the gaps. There is an overall reduction of 25% in **Cod and Haddock** quotas for 2025, now the lowest since 1991, so this is expected to remain a challenge throughout the year.
- **Salmon** pricing is expected to soften in the coming months as we enter the summer season, presenting a good choice on menus. We anticipate reductions in the region of 5-10% across the period. Smoked salmon prices should remain stable as the lower fresh pricing filters through.
- Canadian and native **lobster** season is in full swing which should see prices reducing by up to 25%, a great time to be adding them to your menus. **Scallop** quotas out of Canada and the US are significantly reduced (by up to 40%) with demand remaining high. UK scallops tend to struggle on quality during the summer months but prices are stable. Crab prices should also remain steady during the summer months. Prawn pricing, both cold and warm water, remains high due a combination of US tariffs and increased demand, with clients looking to switch out of white fish options.
- **Mackerel** has moved to MCS rating 4 due to overfishing and low stocks from Scottish sources. Day boat is still available but is impacted by increased demand. Prices are around 12-15% more expensive than last year. This should come back down when new quotas come into play in the next few months but it no longer offers a sustainable alternative for the plate.
- Keep an eye on MSC ratings – with Scottish monkfish rising from a 4 rating to 2 as well as a number of ray species achieving 2-3 ratings. Great sustainable options for the menu.



Fruit & Veg

- Due to warmer than expected weather in the UK, produce is hitting the market ahead of schedule with up to 5% reduction on some categories. This brings welcome relief and alleviates pressure on Spanish supply which remains challenging due to the well documented unseasonable weather. That said, seasonal Spanish favourites such as stone fruits and melons are hitting the markets and showing good quality, with reductions of around 2-3% seen on price.
- New season potatoes will start to arrive with Jersey Royals taking centre stage through to July. Potato pricing has dropped by c. 8% over the past 3 months.
- UK asparagus remains in good supply but expect this to tail off towards the end of the month. As supply has increased pricing has also fallen by c. 7% over the past two months. UK courgettes, beans and salad varieties will provide welcome additions to summer menus.
- UK berries supply is in full swing with strawberries and raspberries making an early appearance due to warmer UK weather. Berry pricing has remained flat for the past three months and down roughly 5% since January. UK cherries and gooseberries should also start to make their way into the market during the month.
- British Tomato fortnight starts on the 2nd June, complimented by the arrival of UK heritage tomatoes, a special shout out to the Isle of Wight varieties that are at their peak, coming in around £6.70/kg.



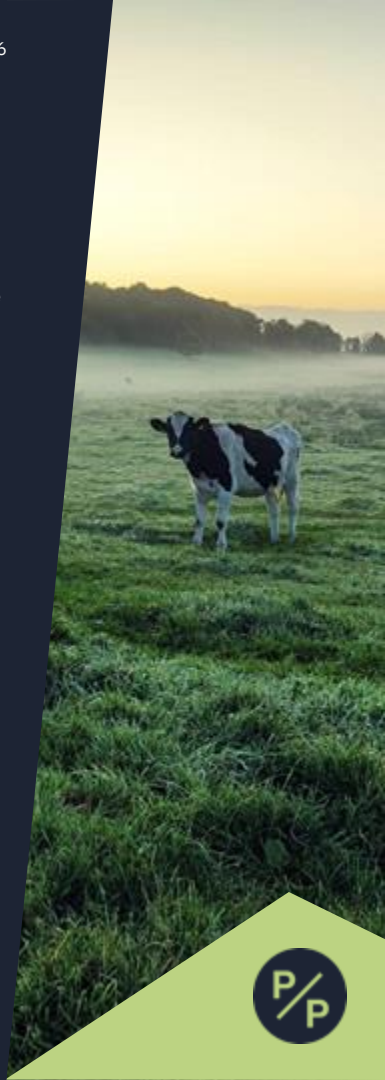
Dairy and Eggs

There is surplus **milk** in the market which is leading to lower spot pricing available, around 5-6% cheaper than contracted volumes. This coupled with no movement MoM in wholesale prices is presenting a more favourable position in the milk category.

Butter prices remain high but have slowed in recent months. Small reductions in the region of 1-2% per month are being recorded. It will be a few months before the impact of lower milk pricing is reflected in lower butter prices; as there is naturally a time lag in these reductions reaching butter producers.

Cream prices remain stable but will likely see benefit of lower milk pricing in the coming months. Small movements of around 1% month on month are being seen currently. There is risk that this will increase demand from overseas markets where milk pricing remains high.

- Egg pricing has risen by almost 20% since the end of 2024 and looks set to continue to do so. Further outbreaks of Avian flu among flocks continue to apply pressure to an already decimated industry. It is estimated around 1.8million birds have been culled since Feb 2025.
- Customer preference for cage-free and indeed a general move towards this option across the market is further exacerbating the supply and demand challenges.



Grocery

- **Edible Oils** – rapeseed and soya prices have been on the rise since last year, around 9.4% higher year on year – uncertainty around US tariffs is adding volatility into the market. Olive Oil prices are finally coming down, up to 7% in some cases, after much better harvests in Spain (which contribute to around 50% of the worlds production).
- **Sugar** prices have been steadily declining since 2023 with around 10% recorded year on year. This is partly driven by a drop in demand globally and changing consumer habits. There are some concerns that reduction in planting areas forecast for the next season will negatively impact future pricing.
- **Wheat** prices remain challenging, with adverse weather conditions in key growing regions and geo-political issues contributing to price volatility.
- **Cocoa** prices continue to hike with some rising as much as 30-40% since last year. This is set to continue as the cocoa market faces supply constraints, rising costs and tariffs.
- **Coffee** prices continue to soar with unprecedented rises year on year – 100% in some instances. Key growing regions such as Brazil and Vietnam are predicting between 10 and 15% reductions in output for 25/26. This hasn't dampened demand as coffee shop culture continues to grow within the UK but will apply sustained pressure to pricing for the foreseeable.

