August 2026: Market Report

Food, commodity, and supply-chain indicators

ONECOST

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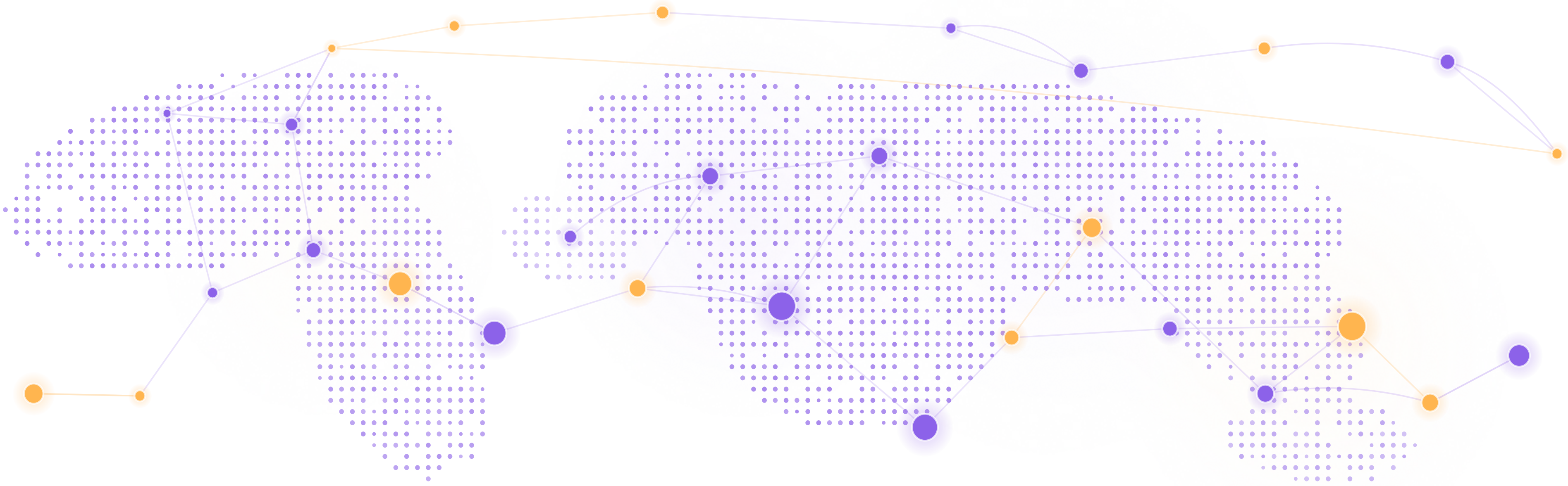

Heatwaves and drought have led to the worst harvest on record, creating uncertainty for service providers. See how flexible menu planning can help manage changing availability and costs.

Key Food & Beverage Movements

Extremely hot weather and weeks without rain have put significant pressure on growers across the UK and Europe. Although apples, berries and some stone fruit have benefited from the sunshine (with good availability and, in some cases, sweeter fruit), many other crops have suffered.

Leafy vegetables: Lettuce has experienced heat stress at temperatures above 24°C, resulting in smaller heads, while spinach and pak choi have entered “thermal dormancy.” The weather has also reduced yields of cress, microgreens and pea shoots.

Potatoes: Around half of the UK potato crop is irrigated, meaning production is heavily dependent on water availability. Season-long sizing issues are anticipated, particularly across baker 30s, 40s and 50s.

Parsnips: Also affected by the lack of water, resulting in smaller roots, reduced yields, variable quality and potentially more Class II produce.

Peppers, tomatoes, and cucumbers: Dutch red and yellow peppers are trending smaller, while tomatoes are seeing reduced sizing and shelf life, particularly larger varieties. Cucumber supply remains tight, although Dutch and Spanish production is beginning to recover.

Brassicas: Broccoli and cauliflower are particularly tight. Heat damage followed by rainfall has accelerated maturity, increasing the risk of cracking, sprouting, bruising and rot, while yellowing and undersized crops are also being reported.

Grain & cereals: Wheat, spring barley and oats are all substantially down on their five-year average yields (13%, 26% and 21%, respectively). Oilseed rape is the major positive exception, with average yields approximately 18% above the five-year average.

Recent heatwaves have also impacted the livestock and dairy markets. Milk deliveries fell an estimated 3.2% year-on-year in July to approximately 1.032bn litres. Beef production, however, has remained resilient: UK beef and veal production was broadly unchanged year-on-year during the first half of 2026.

However, with grass growth at around half of normal levels, some livestock farmers have already been forced to dip into winter feed stores, raising concerns over availability later in the year.

Overarching Market Pressures

Producer input price inflation fell from 7.4% to 4.9% year-on-year, while factory-gate inflation fell from 3.5% to 3.1%. Falling energy costs provided much of the relief, with crude oil prices down 18.0% month-on-month and refined petroleum products down 2.9%.

Food and non-alcoholic drink inflation also eased from 1.7% to 1.3% in July, its lowest rate since September 2021. Dr Liliana Danila, Chief Economist at the Food and Drink Federation (FDF), said that while this is good news, supply chain disruption is unlikely to disappear:

“Alongside geopolitical volatility, extreme weather will continue to put pressure on the price of key ingredients. This makes it increasingly difficult for food manufacturers to shield consumers from price rises and protect their own resilience.”

This pressure is more evident further up the supply chain, with agricultural input inflation reaching 8.6% year-on-year. Fertiliser prices remain particularly elevated, up 38.3% year-on-year, increasing costs for growers that could ultimately feed through into supplier pricing.

Outlook and Opportunitie

With autumn/winter menu planning underway and availability likely to remain unpredictable across some key ingredients, we asked our team how chefs can remain adaptable while protecting margins.

How can chefs make menus flexible enough to deal with shortages?

It helps to avoid making dishes too dependent on one specific ingredient. Descriptions such as “seasonal vegetables” or “market fish” allow the kitchen to adapt according to availability and price without having to change the whole menu.

Chefs can also agree suitable alternatives with suppliers in advance and use specials to make the most of ingredients that are readily available and offer good value.

What should you do if the price of a key ingredient rises?

First, look at how much the increase actually adds to the cost of each portion. A big percentage increase in one ingredient may only add a few pence to the finished dish.

If the dish is still profitable and the increase looks temporary, it may be best to absorb it. If it has a bigger impact, look at whether the ingredient or accompaniment can be changed without affecting the quality of the dish or disappointing the customer.

Removing the dish would normally be the last option, especially if it sells well. I’d look at its popularity, overall profit and whether the increase is likely to be temporary before making that decision.

How can chefs get the most value from their autumn/winter menu?

Using ingredients across several dishes is a great way to control costs and reduce waste, as long as the menu doesn’t feel repetitive. Seasonal produce can also offer better value, while autumn and winter dishes such as soups, pies and slow-cooked dishes can deliver plenty of quality without relying on the most expensive ingredients.

Keeping the menu relatively focused also helps. A smaller number of dishes that sell well will usually be easier to manage and more profitable than a large menu with lots of ingredients and lower-selling options.

For more advice on menu planning, or to discuss how current market conditions are affecting your business, book a call with our team, book a call with our team.

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