



As things slowly begin to return to normal and we navigate through a staggered recovery from the pandemic, we want to provide your children with a choice of tasty, nutritious and popular food across our service. However, we continue to be faced with an unprecedented inflation challenge.

Food price inflation in Britain is likely to peak at up to 15% this summer and will remain at high levels into mid 2023. We are all experiencing the effects of the rising inflation first hand, as our weekly food shops are increasing more and more each week.

Selecting the right ingredients for our menus, within the government guidelines, continues to be challenging. There is growing competition in our supply chain with regards to price and the service they can provide us.

We are working hard to reduce inflation pressures as much as possible. Always ensuring the quality and choice of our menus remains at the forefront of our offering. However, in order to maintain this quality and choice we are increasing the meal price to £2.45 but this is only 4.25%, which in comparison is a lot less than current inflation rate.

Tariff/Contract Changes

We have always been, and remain, committed to delivering a wide range of delicious dishes in the menus we provide and our teams, both in school and in the office, continue to work extremely hard to keep any disruption to a minimum.



Inflation

UK inflation hit **9%** in April 2022 increasing by 2% from March 2022. Our forecast is for food inflation to hit between **13-15%** in the short to medium term.



Supply Chain

All food groups are affected by common factors including **driver shortages, production issues, labour cost, stock availability and consumer demand.**

However, the hardest hit ingredients include high volume school food staples such as pasta, milk, cheese and tuna with eye watering year on year price increases.



Energy

The cost of energy is also contributing to the inflation within the supply chain with gas and electricity **significantly inflated year on year.**



Wages & Labour

Wages have increased on average by **just over 6%.**

However key job roles are demanding much higher salary increases, HGV drivers, warehouse picking and packing as examples.



Ukraine Conflict

Russia and Ukraine are **significant producers and exporters of food stuffs.**

The conflict has had knock on effects on the price of grains, cooking oil, fish specifically cod and agricultural feed as examples.



Shipping
Source ons.gov.uk & Reuters

Global sourcing has been a strength for many years, looking further afield allows cost benefits and a wider section of supply however the cost of **shipping remains high** since lockdown with containers costing **four times more** than prior to lockdown.