

Experts warn of more price rises on way

Food service and restaurant operators were hit by a rise of nearly 10% in food costs in June with further hikes still to come, research revealed this week.

Figures from consultancy Horizons show that food costs rose by 9.3% in June, with increases across all sectors. Restaurants were particularly hard hit, with prices rising 11%, mainly because of their dependence on fresh food.

Foods showing the biggest price rise include eggs (up 37% over the past year), butter (32%), and oils and fats (24%).

Peter Backman, analyst at Horizons, said: "Food commodity prices have grown by 40% over the past year. This takes several months to be reflected in the prices paid by food service operators, so there are still months of price rises in the pipeline. The good news is that food commodity prices have stabilised in the last few months."

Restaurateurs were warned to be more innovative last week after suppliers warned that the cost of diesel has forced fishermen to reduce the number of trips they make out to sea. Toby Baxendale, chief executive officer of Direct Seafoods, said: "Operators should look at fish outside the British palate, like pollack, whiting or coley."

● Check out our tips for beating food inflation at www.catererresearch.com/foodcosts.

