

Food price savings not being passed on

Operators report costs continuing to rise as inflation slows

BY KERSTIN KUHN

Hospitality operators are still being hit by rising food prices despite a reported slowdown in global food inflation.

Figures released by food service consultancy Horizons last week suggest that, after a growth of nearly 14% over the past 12 months, food inflation finally decelerated in August, with costs rising by only 0.8%,

compared with an increase of 3.1% in July.

The slowdown was the result of a combination of factors, including a good harvest for some commodities as well as the stability of the pound against the euro, the report said. World commodity prices are also beginning to be readjusted, with price rises for fresh fish and vegetables well below the average last month.

But operators contacted by *Caterer* warned that suppliers are yet to pass on these price drops. Dominic Chapman, head chef at the Royal Oak in Paley Street, Berkshire, said: "Food prices have gone up massively for the last year, and I haven't noticed them coming to a halt."

Chapman said that the most important thing for operators to do to combat rising prices is to communicate with their suppliers. "Communication with suppliers is key in times like this, and you have to work together," he said.

This was echoed by Alfred Prasad, executive chef at London's Michelin-starred Indian restaurant Tamarind, who said that in the past six months he has been speaking to suppliers more than ever before.

"By staying on the ball and making sure you're aware of prices you keep suppliers on their toes," he said. "Currently, our costs are about 10% higher across the board compared with six months ago. Suppliers haven't passed on any decreases, and I would imagine it will be a good few months before they do." kerstin.kuhn@rbi.co.uk



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