



Better value, delivered.

YPO Food

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Market Information Report

November 2017

Who is YPO

- Founded in 1974
 - 100% Publicly owned
 - Food Team are Food specialists
 - Work with others in industry – DfE, DEFRA, CCS
 - Proven track record at saving money
 - We are looking forward to 2018 and beyond
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Headlines

- Currency
 - Oil Price
 - Inflation
 - Food Marketplace
 - Packaging Costs
 - Looking forward to 2018 and beyond
-

Currency



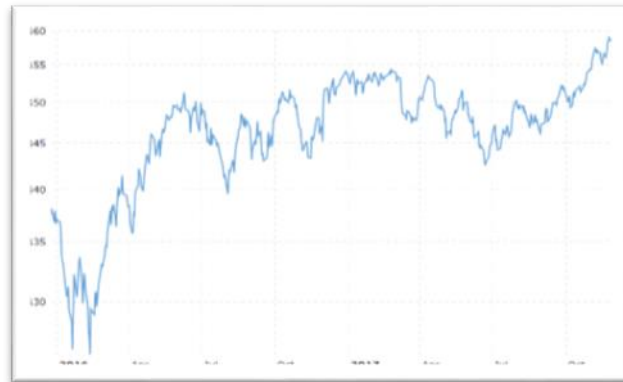
As of Monday 27 November, we were at \$1.33 – as quoted by BBC Business website.



At a peak of circa €1.30 we are currently trading at around the €1.12 mark against a pound.

The devaluation of the £ v \$ has been around 7.5% and 13.75% against the Euro over the same period.

Oil Price



WTI Crude Oil was being traded at circa \$40.00 per barrel in early January 2016. Steadily rising from this low to the peak of \$57.80 as quoted by www.oilprice.com on Tuesday 28 November.

The effects of oil prices and currency will affect packaging and transport costs.

Inflation



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Food Marketplace

commodity prices: apple and cocoa prices leap up

The apple crisis in Poland continues to drive up prices while cocoa butter prices have risen due to increasing demand for cocoa and chocolate lines.

Crude oil prices rose to two-year highs after the anti-corruption crackdown in Saudi Arabia by Crown Prince Mohammed bin Salam. Oil policy is potentially affected, which has driven up prices in the short term. Prices have also felt the impact of plans to list the Saudi state-owned Aramco oil company next year.

European wheat prices have fallen as production rose 2% in October following increased yields. The completed harvest has increased supply to market, further pushing down prices.

Thai rice prices have fallen due to forecasts of increased production. Prices had faced upward pressure following storm damage to crops.



Commodity and Wholesale prices data supplied by Mintec. Mintec is the principal independent source of information for commodities and raw materials. Mintec monitors the key factors that are vital for efficient procurement and provides sophisticated tools for analysing and interpreting market information. www.mintecglobal.com

WINNERS & LOSERS		PRICE	CHANGE	CHANGE
		£/tonne	m-o-m %	y-o-y %
Key climbers				
	Apple juice conc (EU)	1,322	26.4	51.5
	Cocoa butter (UK)	4592	11.7	-25.6
	Crude oil (ICE) (EU)	356	9.3	22.9
	Sugar (London ICE) (UK)	291	2.4	-34.2
	Aluminium alloy (LME) (UK)	1,426	2.3	12.8
Key fallers				
	Coffee - robusta (ICE) (EU)	1,384	-6.7	-18.0
	Tea (LK)	3,530	-2.3	9.7
	Wheat mllg (Euronext Paris) (Fr)	147	-1.9	0.8
	Tea (KE)	3,165	-1.6	9.5
	Rice (Class B) (TH)	306	-1.2	1.1

Source: Mintec. Note: All prices are indicative only and are representative within the country quoted

Food Marketplace

- Tuna
 - Apples
 - Tomatoes
 - Dairy products – butter and cheese
 - UK & EU Harvested crops
 - Sweetcorn
 - Potatoes
 - Pineapple
 - Eggs
 - Meats
 - Packaging
-

Packaging

wholesale prices: polystyrene driven up by rising input costs

Polystyrene prices have risen due to tightening supplies of feedstock styrene after factory outages hit production in August. Rising crude oil prices have also put upward pressure on polystyrene pricing.

Prices of OCC, the feedstock for testliner, rose 5% month on month in mid-August due to seasonally tight supply. This has caused testliner prices to rise another 3.8% month on month, meaning they are now up almost 30% on last year.

EU ethylene contract prices

trended upwards in September, due to low supplies and higher prices for feedstock naphtha, which are being driven by rising crude oil costs. As a result, LDPE prices have risen month on month.

Aluminium alloy prices fell slightly this month. However, prices remain high year on year as a result of supply cuts due to environmental concerns. Shutdown of illegal producers in Shandong and Xinjiang has eliminated 6.2% of global aluminium output.

PRICES		PRICE	CHANGE	CHANGE
Packaging		£/tonne	m-o-m %	y-o-y %
	PET (UK)	1,125	0.7	38.3
	Steel (EU)	533.2	-1.1	30.1
	Kraftliner (UK)	593.6	6.2	29.7
	Polystyrene (UK)	1,356.3	14.0	27.2
	Testliner (UK)	522	3.8	22.7
	Polypropylene (UK)	1,132	4.4	20.9
	Aluminium alloy LME (UK)	1,333	-1.2	10.7
	LDPE (UK)	1,274.3	3.1	3.3
	Cartonboard (UK)	859.9	-0.6	2.3
	HDPE (UK)	1,173.7	3.0	1.5

Source: Mintec

Info: All prices are indicative only and are representative within the country quoted

Looking forward to 2018 & beyond.....

- BREXIT
- Tariffs & Quotas
- Sugar tax
- Single use items and bottle tax
- Supplier mergers
- Shrink-flation
- New foodstuffs
- ‘Doing business’ increases
- The worlds weather
- Political factors





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Thank You
