

Industry Challenges

Macro-economic factors affecting our business and our industry



Inflationary Pressures

The office of National Statistics, Consumer Price Index (CPI) is one of the most frequently used statistics for measuring periods of inflation or deflation. It marked inflation at 3%, a 0.9% increase from July figures, and the highest point since 2012. Global inflation is also influencing prices.



HGV Driver Shortage

There is currently a shortage of over 100,000 drivers in the UK, out of a pre-covid level of around 600,000 according to a Road Haulage Association survey. This included tens of thousands of EU drivers working in the UK.

There is an enormous backlog in HGV driver tests adding to the problem.

Lorry driver shortages in Europe have seen Germany, France and Spain with shortfalls of around 400,000 drivers.



Labour Shortages

Job vacancies have hit a record high, soaring above 1m for the first time, this is the highest level on record. The Office for National Statistics has also recently reported that the lack of applicants from the EU is also causing significant challenges in the labour market.

Just like us many of our suppliers are experiencing issues attracting, recruiting and retaining enough experienced workers, resulting in increased costs.



Increased Transport Costs

Global covid restrictions and Brexit friction costs continue to impact transportation.

A widely reported global displacement of shipping containers is artificially inflating the cost of goods due to severe supply shortages. The price of shipping goods has soared over the past year, but this rise has been even more dramatic over recent months.



Increased Packaging Costs

Packaging costs are increasing dramatically across industry and our business is experiencing significant increases. Cartonboard, a key packaging material and High Density Polyethylene, used in milk bottles have increased in price 29% and 60% respectively year on year.

Difficulties in obtaining the necessary packaging, is causing shortages and price hikes leading to cost increases.



Seasonal Challenges

As the British summer season comes to an end, we replace domestic produce with imported produce.

2021 has seen some extreme weather conditions in central and southern Europe from heavy flooding to extreme heatwaves. All these factors affect the supply and quality of some products and drive the cost of sourcing up. This coupled with driver shortages and increased transport costs for our European partners is resulting in cost increases.