

Walkers and Birds Eye set to raise prices as pound weakens

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Walkers and Birds Eye are set to raise the prices of some items due to the falling strength of the pound.

The pound has fallen 18% against the US dollar since June's UK Brexit vote.

Walkers, owned by US giant PepsiCo, says "the weakened value of the pound" is affecting the import cost of some of its materials.

Birds Eye, owned by New York-listed Nomad Foods, says its products are priced in dollars, so the pound's fall means sterling costs have risen.

Last month, food giant Unilever [raised the wholesale price](#) of many household products after falls in the value of sterling increased the cost of products made outside the UK.

Walkers said it was making "selective cost price changes across our portfolio", including raising the price of standard and grab bag products.

It said the move was part of ongoing reviews of its price and promotion schemes.

The firm said in a statement that "fluctuating foreign exchange rates" were among the factors involved.

A Walkers spokesman told the Press Association that a 32g standard bag was set to increase from 50p to 55p, and the larger grab bag from 75p to 80p.

"Since we do not set the retail price of our products, it will be for individual retailers to determine the impact on the price at which they sell our products," they said.

The firm added that while its potatoes were British, it imported a number of different ingredients and materials to produce a finished packet of Walkers crisps.

These items include seasonings, oil for frying and key raw materials used in its packaging film.

James Russell, wholesale managing director at Blakemore, which runs a string of Spar stores, told trade magazine Retail Newsagent: "Brexit has caused uncertainty and I think this is massively opportunistic by PepsiCo considering the current performance of the category and the fact they've taken weight out of the bags not so long ago.

"It impacts the offer we can make for our customers. We have to pass the cost on to them. We've been told if we don't accept the terms it won't supply us. The value message is becoming distorted."

'Absorb costs'

There have been media reports that Birds Eye is also set to raise the prices of some of its products from next month, but the firm did not confirm when or by how much.

Wayne Hudson, Birds Eye UK & Ireland managing director, said many of its raw materials were priced in dollars "and the fall in the value of the pound since the EU referendum has meant that our costs in sterling have risen".

He added: "We have been in open and collaborative conversations with the retailers for some time now to address the situation and minimise any impact on our customers.

"We are working hard to try and absorb these costs as much as possible."