



CGA Prestige **Foodservice Price Index (FPI)**

Snapshot Report - April 2023

Your source for accurate data, analysis and insights into today's food prices.

Monthly Snapshot..

Executive Summary

Hospitality food inflation jumps back above 20%.

Inflation, as measured by the CGA Prestige Foodservice Price Index (FPI), increased to 21.4% year-on-year in April, just below the record high of 22.9% reached in December 2022. During the first quarter of 2023, the rate of price increases had begun to slow, with inflation falling below 20% in March for the first time since mid-2022. This pattern, along with the impact of the prior year's figures, is expected to exert downward pressure on inflation for the rest of 2023, resulting in prices rising but at a slower rate compared to 2022.

The unexpected rise in April was driven by vegetables, fish, and sugars/jams/syrups, all of which saw increases of between 3% and 4% month-on-month. On the other hand, the categories that have been leading the inflationary trend since the start of the Ukraine war, such as oils & fats and dairy, continued to show relatively subdued increases.

Inflation Ups & Downs against March..



Potatoes, of which the UK is more than 90% self-sufficient, experienced a further significant increase in April. Rising production costs and labour shortages, a storage crop for 2022-23 that was over 5% lower than the previous year, and significant shortages in many parts of continental Europe have all influenced prices. This supply-demand imbalance is expected to persist for some time, and buyers should not expect markets to ease until later in the year.

The major factors influencing food prices upstream (such as oil, exchange rates, and commodity markets) are currently relatively stable compared to last year. The cost of Brent Crude oil has eased, starting April at \$87 a barrel and ending the month below \$80, with further declines expected in May. Sterling exchange rates have remained stable in April, at around €1.13 and \$1.24.

After 10 consecutive months of decline, the UN FAO Food Price Index averaged 127.7 points in February 2023, showing a slight increase of 0.7% from March. This small increase was mainly driven by significant rises in the price indices of meat and sugars, slightly offset by ongoing decreases in dairy, oils/fats, and cereals. We anticipate a resumption of the overall index's decline in May.

Despite the increases observed in April, we expect to see a gradual easing of inflation levels shown in the CGA Prestige FPI throughout 2023, as commodity pricing and the impact of prior year figures take effect. The key question that remains is the speed at which this decline will occur, given that energy, labour costs, and climate change remain significant constraints on progress in reducing inflation.



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CGA by NIQ provides definitive On Premise consumer intelligence that reveals new pathways to growth for the world's most successful food and drink brands. With more than 30 years of best-in-class research, data, and analytics, CGA by NIQ provides the Full View™.

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NIQ was founded in 1923 and is an Advent International portfolio company. For more information, visit NIQ.com or www.cgastrategy.com.

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