



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

Snapshot Report - February 2023

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

Monthly Snapshot..

Executive Summary

Sector food inflation below its peak, but still above 20%.

Inflation as measured by the CGA Prestige Foodservice Price Index (FPI) fell slightly to 20.6% year-on-year in February, just below the record high of 22.9% reached in December 2022. There is now clear evidence of the level of price increases beginning to slow, with the full basket increasing only 0.7% month-on-month which is one third of the average rate experienced in the latter part of 2022.

This pattern, combined with prior year base effects, should continue to push down on inflation during the remainder of 2023, with prices rising but at a slower rate than they did in 2022. Currently, all categories within FPI remain in double digit inflation, with Oils & Fats continuing to lead the way at 37% year-on-year, and Sugars/Jams/Syrups at the lowest level of increase at 12%.

Inflation Ups & Downs against January..



February has seen a continued trend of increased Vegetable prices up 2.3% month-on-month, albeit slightly lower than the average 3.5% month-on-month seen during November to January. Oils & Fats, whilst still registering the highest level of inflation within the index did register a month-on-month fall of -0.2% in January, and Oil commodity pricing indicates that this should fall further in the months ahead. The rate of month-on-month increase in Milk/Cheese and Eggs more than halved at 0.7% during February, and with the Spring Flush approaching (the period in the UK when cows' diet changes from dry feed to spring pasture leading to increased production) prices should ease further.

The major upstream influencers on the price of food (Oil, Exchange Rates and Commodity Markets) are now very stable when compared to 2022, with the cost of oil stable during February at \$84 a barrel and the £ stable against the Euro at €1.13, and marginally down against the \$ at \$1.20.

The UN FAO Food Price Index averaged 129.8 points in February 2023, marginally down (0.6%) from January, continuing the downward trend for the eleventh consecutive month. With the latest decline, the index has fallen 29.9 points (18.7 percent) from the peak it reached in March 2022. The marginal decline in February reflected significant drops in the price indices of vegetable oils and dairy, together with fractionally lower cereals and meat indices, more than offsetting a steep rise in the sugar price index.

We expect to see CGA Prestige FPI easing slowly over the course of 2023 as commodity pricing and prior year impacts kick in. Slowing consumer demand within the sector is now beginning to impact sales volume which should also help to ease prices. Energy and labour costs remain a significant challenge however, so the rate of inflation decline may be slow for some time.



Prestige Purchasing are a leading expert in Value Chain. We provide knowledge, insight, and practical support to hospitality and foodservice businesses. We improve profitability by improving the way in which our clients source and manage what they sell.

Our services are tailored to allow us to assist businesses of any scale in the sector. Offering a bespoke consultancy based model we offer services contextualised in the statements below for our clients.

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CGA is the definitive On Premise measurement, insight and research consultancy that empowers the world's most successful food and drink brands.

With more than 30 years' experience and best-in-class research, data and analytics, CGA is uniquely positioned to help On Premise businesses develop winning strategies for growth.

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CGA works with food and beverage suppliers, consumer brand owners, wholesalers, government entities and pub, bar and restaurant retailers to protect and shape the future of the On Premise experience.

Its mission is to use phenomenal data and expert insights to give brands a competitive edge and ensure the market we love is the most vibrant possible.

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