



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

Snapshot Report - December 2023

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

Monthly Snapshot..

Executive Summary

FPI Inflation declines for sixth consecutive month, but concerns emerge as general inflation inches up.

The CGA Prestige Foodservice Price Index (FPI) has reported a continued descent in inflation, marking a sixth consecutive month of decline in December. FPI recorded a rate of 13.8%, underscoring the persistent deceleration in inflation rates. However, the pace of this decline is slower than initially anticipated, despite the moderation in price rises and market stabilisation.

In December, the majority of FPI categories maintained double-digit year-on-year inflation, with the vegetables category standing out at above 20%, primarily driven by substantial increases in potato pricing. Interestingly, only one FPI category reported deflation, with the Oils & Fats category indicating a -1.1% year-on-year decrease.

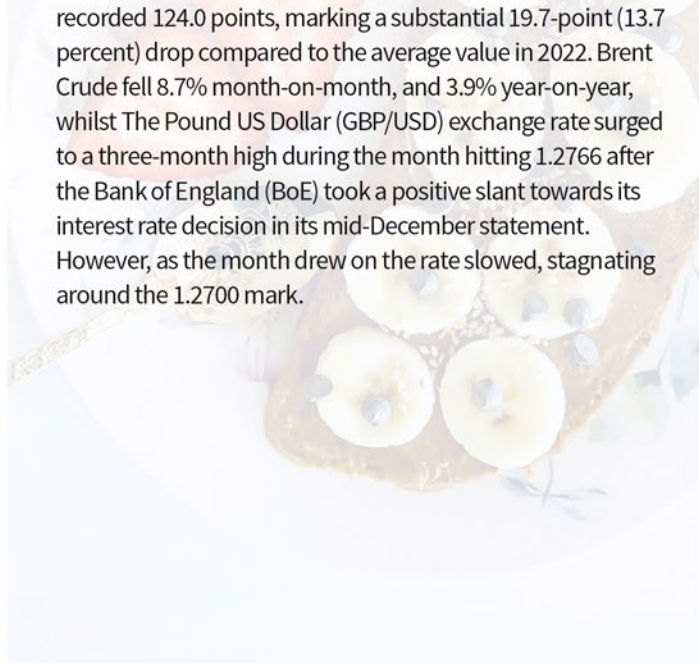
Inflation Ups & Downs against October..



Despite the recent declines in inflation, apprehensions about a resurgence are emerging. The government is set to implement new paperwork requirements for EU businesses sending animal and plant products to the UK starting at the end of January, with physical inspections commencing in April.

In an announcement on Thursday, the government assured that the scheduled introduction of border checks, which has experienced five delays since the initiation of the EU-UK Trade and Cooperation Agreement in January 2021, will not face further postponements. After this declaration, concerns were raised by food importers regarding potential disruptions, including empty supermarket shelves, port queues, import delays, and an upswing in inflation, particularly affecting food prices, should the January 31 start date be enforced.

Shifting focus to the international landscape, the UN FAO Food Commodity Index, a comprehensive measure of global food commodity prices, averaged 118.5 points in December 2023. This represents a 1.8-point (1.5 percent) decrease from November, with declines in sugar, vegetable oils, and meat price indices offsetting increases in dairy products and cereals. Notably, the index stood 13.3 points (10.1 percent) below its level from one year ago. For the entire year of 2023, the index recorded 124.0 points, marking a substantial 19.7-point (13.7 percent) drop compared to the average value in 2022. Brent Crude fell 8.7% month-on-month, and 3.9% year-on-year, whilst The Pound US Dollar (GBP/USD) exchange rate surged to a three-month high during the month hitting 1.2766 after the Bank of England (BoE) took a positive slant towards its interest rate decision in its mid-December statement. However, as the month drew on the rate slowed, stagnating around the 1.2700 mark.





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