



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

Snapshot Report - November 2024

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

Monthly Snapshot..

Executive Summary

The Foodservice Price Index (FPI) report for November 2024 reveals a concerning shift in the inflationary landscape for the UK hospitality sector. While year-on-year inflation continued its downward trend, falling to 2.0%, the return to month-on-month inflation and the potential impact of the Autumn Budget raise concerns about future price stability.

Despite achieving a 17th consecutive month of year-on-year decline, November saw a return to month-on-month inflation. The FPI recorded a +0.3% increase, with only 2 out of 10 categories experiencing deflation. This suggests that the downward pressure on prices observed in previous months may be waning.

Coffee, Tea & Cocoa (+6.5%) and Mineral Water, Soft Drinks and Juices (+5.6%) emerged as the categories with the highest year-on-year inflation, while Fish (-0.7%) remained the only category to experience year-on-year deflation. This highlights the ongoing volatility and diverging trends across different product categories.

Inflation Ups & Downs against October..



The looming impact of the Autumn Budget continues to cast a shadow over the sector. As previously highlighted, the budget measures have the potential to add +2.3% to the forecasted FPI inflation. Combined with the return to month-on-month inflation, this raises serious concerns about the possibility of a sharp increase in foodservice prices in 2025, potentially exacerbating the cost-of-living crisis.

The broader economic context provides little comfort. The FAO Food Price Index (FFPI) remained at 127.5 points in November, its highest value since April 2023, driven by continued increases in dairy and vegetable oil prices. The USD continued to strengthen against the GBP, while the EURO remained relatively stable. Average Brent crude oil prices also saw a further slight increase.

The November FPI report could potentially signal a turning point in the inflationary trend. The return to month-on-month inflation, albeit a small one, coupled with the anticipated impact of the Autumn Budget and persistent volatility in certain categories, necessitates a heightened level of vigilance. Operators must proactively monitor market developments, adapt their procurement strategies, and explore innovative solutions to mitigate the risks posed by these emerging challenges.



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.

Supply Optimisation

For growing businesses that have not yet established a mature supply chain function we provide outsourced services that deliver profit improvement through the application of best in class techniques, using our team of experienced and capable buyers.

David Gillham
Commercial Director
T - 07917 303970
E - david.gillham@prestige-purchasing.com

Procurement Transformation

For established businesses that have yet to establish "strategic procurement" and wish to introduce national, regional or global supply arrangements, often establishing their own team to develop and maintain them.

Procurement Support Services

A portfolio of services to support fully established procurement and supply chain teams in their mission to add value to their organisation. Services include Insight, Training, Analytics and Benchmarking.

Our services are 100% Transparent FIXED fee based and deliver between 2 and 7 times return on investment all backed up with financial guarantees.

We do not aggregate volume with other operators and build each project or service bespoke for each of our clients' needs delivering the maximum benefit to our clients bottom line.

Shaun Allen
Chief Executive Officer
T - 01908 324066
E - shaun.allen@prestige-purchasing.com

Office Address: Aurora House, Deltic Ave, Rooksley Roundabout, Bradwell Common, Milton Keynes MK13 8LW



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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.

Reuben Pullan
Senior Client Director
T - 07816 531 977
E - reuben.pullan@nielseniq.com

CGA
T: 0161 476 8330
E: hello@cgastrategy.com
Follow us on Twitter: @CGA_insights