CGA Prestige
Foodservice Price Index (FPI)

Snapshot Report - January 2025

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

Monthly Snapshot..

Executive Summary

The Foodservice Price Index (FPI) for January 2025 reflects a continued trend of easing inflation within the hospitality sector, marking the 19th consecutive month of decelerating year-on-year inflation. The total basket increased by +1.8% compared to January 2024, with a 0.0% month-on-month change from December 2024. This indicates a continued stabilisation of overall foodservice prices, although price volatility remains a threat as we head into 2025.

While the overall inflation picture has continued to be positive, the market indicators and January 2025 FPI reveals a more challenging outlook. Only one of ten categories, Fish, experienced year-on-year deflation, and just 3 out of 10 categories experienced month-on-month deflation.

Beef prices have continued to surge upwards reaching record levels driven by projections of lower beef production in 2025 and demand remaining strong, whilst there are some pockets of relief as olive oil prices have started to decrease after the highs seen over the past couple of years.

Inflation Ups & Downs against December..

BREADS & CEREALS

Down 0.4%

MILK, CHEESE & EGGS

Up 0.8%

OILS & FATS

Down 2.1%

SUGAR, JAMS, SYRUPS & CHOCOLATE

Up 0.8%

Global commodity markets exerted varied influences on the Index. Crude oil prices saw a substantial +11.4% month-on-month increase in January, driven by geopolitical tensions, delays in OPEC+'s production increases, and increased winter demand. Natural gas prices also continued their upward trend, rising +4.7% month-on-month, influenced by cold weather and reduced storage levels, although prices remained lower than the previous year.

Aluminium prices, also continued their upward trajectory, rising 17.9% over the six months to January 2025. This continued rise in price is mostly likely driven by increased demand from China, and rising energy costs. However, supply chain disruptions have played some part in the increases, and fears of a global trade war are continuing to cause volatility. It is still too early to tell how the US 25% import tariffs placed on aluminium will affect the market, however, it is possible this will result in falling prices on the global market as a result of increased supply.

The FAO Food Price Index (FFPI) recorded a 1.6 percent decrease in January 2025 compared to December 2024, primarily driven by decreases in Sugar, Vegetable oils and meat, which outweighed the increases in dairy and cereals. While the FFPI was 6.2% higher year-on-year, it remained considerably below (22%) the peak reached in March 2022.

While the overall Foodservice Price Index indicates a continued moderation of inflation, the sector remains subject to volatility from individual commodities and geopolitical factors that affect the input costs and final pricing in the foodservice sector. Operators should maintain vigilance when assessing their procurement, and continue to test their pricing against the market to ensure they remain competitive.

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.

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.

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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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