CGA Prestige
Foodservice Price Index (FPI)

Snapshot Report - March 2025

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

Monthly Snapshot..

Executive Summary

The CGA Prestige Foodservice Price Index (FPI) for March 2025 reveals a nuanced shift in the inflationary landscape affecting the UK hospitality sector. While the year-on-year inflation experienced a slight upward movement, reaching +2.0% compared to the +1.8% recorded in February, a more encouraging trend emerged in the month-on-month figures, which demonstrated a deflation of -1.3%. This suggests a possible alleviation of immediate price pressures across the foodservice industry.

However, the overall inflation picture remains complex, with notable disparities across different product categories. Oils & Fats continue to be a significant driver of inflation, registering a substantial year-on-year increase of +5.8%. Furthermore, the Sugar, Jams, Syrups and Chocolate category is still experiencing inflationary pressures, with a +2.0% year-on-year rise, likely influenced by ongoing instability in cocoa markets. In contrast, global food price trends, as indicated by the FAO Food Price Index (FFPI), showed a degree of stability in March 2025, averaging 127.1 points, nearly unchanged from February. Declines in the price indices for cereals and sugar counteracted increases in meat and vegetable oils, while the dairy price index remained stable. It's worth noting that the FFPI was 6.9 percent higher than its level in March 2024 but remained 20.7 percent below its peak in March 2022.

Adding another layer of complexity to the economic outlook are the emerging concerns surrounding international trade tariffs initiated by the US administration. The introduction of a 10% baseline tariff on a wide range of foreign imports to the US, effective from 5 April, is anticipated to reduce the competitiveness of UK exports to the US market, which currently amounts to approximately £3 billion annually, largely concentrated in premium categories such as Scotch Whisky, Gin, and Farmed Salmon. Simultaneously, the 11% depreciation of the pound sterling against the US dollar between mid-January and the end of April has increased the cost of imports from the US. While the UK government has not yet implemented retaliatory measures, thus avoiding immediate price increases on the roughly £1 billion of US food and drink consumed domestically, this remains a dynamic situation requiring close monitoring.

The broader economic implications of these tariff measures are also a significant concern. The potential for a drag on global economic growth is considerable, and projections suggest that these tariffs could negatively impact the UK's GDP growth in both 2025 and 2026. This uncertain trading environment, coupled with a rising domestic tax burden, presents downside risks to overall economic expansion. The impact on consumer confidence is also a key consideration. Increased media coverage of economic uncertainty and potential inflationary pressures linked to these tariffs have already contributed to a decline in consumer sentiment, as evidenced by the recent drop in the GfK consumer confidence index. This weakening of consumer confidence poses a direct challenge to the hospitality sector, which is particularly sensitive to fluctuations in discretionary spending. Interestingly, average Brent crude oil prices experienced a significant year-on-year decrease of 13.5% in March and also fell month-on-month from £61.28 in February to £57.32 in March. This decline in energy costs could potentially offer some relief to operators facing other inflationary pressures.

The March 2025 Foodservice Price Index paints a complex picture. While month-on-month deflation offers a degree of respite, persistent inflation in key food categories and the looming uncertainties associated with international trade disputes and their wider economic consequences necessitate a cautious and proactive approach for foodservice operators. Maintaining robust procurement strategies, closely monitoring global commodity markets and trade developments, and implementing effective mitigation plans will be crucial for navigating the challenges and potential volatility in the months ahead. The interplay of these factors underscores the need for diligent cost management and strategic planning within the hospitality sector to ensure resilience in the face of these diverse economic influences.

Inflation Ups & Downs against February..

BREADS & CEREALS

Down 2.0%

MILK, CHEESE & EGGS

Down 1.8%

OILS & FATS

Down 1.2%

VEGETABLES

Down 2.4%

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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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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