CGA Prestige
Foodservice Price Index (FPI)

Snapshot Report - September 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 September 2024 paints a complex picture of the inflationary landscape within the UK hospitality sector. While the headline figures show a continued easing of year-on-year inflation, falling to 2.4% and marking the 15th consecutive month of decline, underlying pressures are evident and suggest that the journey towards price stability is far from over.

This month's report reveals a nuanced situation. Although the long-term trend indicates a gradual easing of inflationary pressures, concerns remain in the short term. For the fourth consecutive month, nine out of ten categories experienced month-on-month price increases, highlighting the volatility that still exists within the market.

Several specific factors contribute to this ongoing pressure. The Vegetables category, impacted by persistently high potato prices, continues to report significant inflation. Similarly, the Oils & Fats category saw the largest month-on-month increase, driven primarily by a surge in butter prices. While non-alcoholic beverages remain a key contributor to overall inflation, it is noteworthy that the Sugar, Jam, Syrups and Chocolate category, alongside Vegetables, now shows the highest year-on-year increases.

Inflation Ups & Downs against August..

BREADS & CEREALS

Up 1.4%

FRUIT

Down 0.0%

MEAT & POULTRY

Down 0.4%

OILS & FATS

Up 3.4%

Looking at the broader economic context, we see a similar picture of mixed signals. The average USD to GBP rate weakened slightly to 0.76 in September, and the average Euro to GBP rate fell to 0.84. These fluctuations, while relatively small, demonstrate the ongoing sensitivity of the UK market to global currency movements. Furthermore, the FAO Food Price Index (FFPI) presents a contrasting trend, rising by 3% to 124.4 points in September. This marks its largest monthly increase since March 2022 and is driven by price strengthening across all commodities included in the index. In contrast, the average monthly Brent crude oil price fell to £55.67 per barrel from £60.62 in August, potentially indicating some easing of cost pressures in the energy sector.

While the overall trajectory of inflation appears to be moving in a positive direction, the ongoing volatility in specific categories, coupled with fluctuations in global commodity prices and currency exchange rates, necessitates a cautious and adaptable approach. Operators must remain vigilant and responsive to these evolving conditions, employing strategic procurement practices and closely monitoring emerging trends across all categories to ensure they remain competitive and resilient in the face of ongoing market 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.

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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