



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

Snapshot Report - October 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 October 2024 presents a cautiously optimistic outlook for the UK hospitality sector, tempered by significant uncertainty surrounding the long-term inflationary landscape. While year-on-year inflation continued its downward trend, falling to 2.2% and marking the 16th consecutive month of decline, the recent Autumn Budget has introduced potential headwinds that could disrupt this positive trajectory.

October's results show a welcome continued easing of inflationary pressures in the short term. Headline inflation fell by 0.2% from September, and notably, 6 out of 10 categories experienced month-on-month deflation, resulting in an overall month-on-month deflation of -0.4%. This suggests that some of the immediate price pressures witnessed in previous months may be starting to subside.

However, challenges persist. Vegetables (+6.6%) and Sugar, Jam, Syrups & Chocolate (+6.3%) continue to report the highest year-on-year inflation, highlighting the ongoing volatility in certain categories. Fish (-0.1%) was the only category to experience year-on-year deflation.

Inflation Ups & Downs against September..



Adding to the complexity, the Autumn Budget has cast a shadow over the future outlook. The budget measures are predicted to add +2.3% to the previously forecasted FPI inflation. If suppliers fully pass these cost increases through, FPI could rise sharply in 2025, potentially compounding the cost-of-living crisis.

The broader economic context presents a mixed picture. The FAO Food Price Index (FFPI) rose to 127.5 points in November, driven by increases in dairy and vegetable oil prices. While this is the highest value since April 2023, it remains significantly below the peak reached in March 2022. Currency markets saw the USD strengthen against the GBP, while the EURO weakened. Average Brent crude oil prices also saw a slight increase.

While the immediate outlook shows promising signs of easing inflation, the potential impact of the Autumn Budget and ongoing volatility in certain categories warrant caution. Operators must remain agile and adopt proactive procurement strategies to navigate these uncertainties effectively. Closely monitoring market trends and potential disruptions will be crucial for maintaining competitiveness and resilience in the face of ongoing 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.

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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.

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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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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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