



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

Snapshot Report - February 2025

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

Monthly Snapshot..

Executive Summary

The latest CGA Prestige Foodservice Price Index (FPI) indicates a continued easing of inflationary pressures, with the Index remaining relatively flat in February, falling by a marginal 0.1 point from January 2025.

Year-on-year inflation held steady at 1.8% in February, while month-on-month inflation saw a slight decrease of 0.1%. Whilst this reflects a degree of stability for the foodservice sector over the past 12 months, the underlying global economic factors and domestic policy changes present more challenges going forward. The majority of the Index's categories, six out of ten, experienced month-on-month inflation in February. Conversely, only one category out of ten showed year-on-year deflation. The highest year-on-year inflation was observed in Oils & Fats at 5.7% and Coffee, Tea & Cocoa at 6.8%. Meat and poultry prices are under significant upward pressure with beef prices continuing to trade at record highs and price rises in chicken is also being seen due to the Avian Flu outbreak in Poland.

After the sharp increases seen in cocoa and coffee prices over the past 12 months, there has been some recent easing but both commodities still remain at nearly double the average price compared to 2023. The impact of recently imposed US tariffs remains a concern, although their full effect is yet to materialise. However, there will undoubtedly be some volatility in the market as some imports and exports to and from the United States will start to seek alternative markets.

Inflation Ups & Downs against January..



Elsewhere, the FAO Food Price Index experienced an increase in February, driven by rises in the prices of sugar, dairy, and vegetable oils, according to the Food and Agriculture Organization of the United Nations (FAO). The index of globally traded food commodities averaged 127.1 points in February, representing a 1.6% increase from the previous month and an 8.2% rise compared to February 2024. The surge was largely attributed to the FAO Sugar Price Index, which rose by 6.6% from January due to concerns about tighter global supplies for the 2024/25 season, particularly due to reduced production prospects in India and adverse weather affecting crops in Brazil.

Crude oil prices saw a decline of 4.7% both year-on-year and month-on-month, primarily driven by concerns surrounding economic growth linked to potential tariffs from the US and its trade partners. Looking ahead, the foodservice sector must also consider the potential inflationary impact of the Autumn Budget which take effect in April. The associated rise in labour costs will start to filter through the supply chain, adding further upward pressure to food and beverage pricing as producers and wholesalers adjust to increased overheads. This, coupled with existing pressures on food production costs, suggests that while the current inflation rate is subdued, businesses should remain vigilant for future price increases.

While the overall Foodservice Price Index indicates inflation has been tracking at a relatively low level to date, the upward price pressure on key commodities like beef, chicken, dairy and coffee combined with the impacts from the National Minimum Wage and National Insurance Contribution changes which come into effect in April, means we are likely to see a resurgence of inflation in the coming months. Operators should ensure they have robust procurement strategies and mitigation plans in place where possible to navigate the challenges ahead.



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