



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

Snapshot Report - December 2022

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

Monthly Snapshot..

Executive Summary

2022 ends with record high 24% Food inflation.

The CGA Prestige Foodservice Price Index (FPI) ended 2022 at record highs, with the Food basket nearly one quarter higher than December 2021, up 24%. The FPI full basket which includes beverages ended slightly below this level at 22.9%. These numbers represent an eleventh consecutive month of double-digit inflation, and another record breaking high. All categories within FPI remain in double digit inflation, with Oils & Fats continuing to lead the surge at a spectacular high of 47% year-on-year. Over half of categories exceeded 20% inflation.

December witnessed a further surge in the price of Vegetables which rose nearly four per cent for the second month running, registering 26% inflation. There is some evidence to suggest that the heat may be dissipating in Oils & Fats markets where prices are still rising but the level of inflation is no longer increasing.

Inflation Ups & Downs against November..



The major upstream influencers on the price of food (Oil, Exchange Rates and Commodity Markets) are stable when compared to earlier in 2022.

The cost of oil increased during December from \$82 a barrel to \$86 partially due to OPEC's recent intervention to raise levels of production. The £ fell slightly against the Euro in the month at €1.14, and strengthened considerably against the Dollar at \$1.24.

The UN's FAO Food Price Index averaged 132.4 points in December 2022, down 2.6 points (1.9%) from November, marking the ninth consecutive monthly decline and standing 1.3 points (1.0%) below its value a year ago. The decline in the index in December was driven by a steep drop in the international prices of vegetable oils, together with some declines in cereal and meat prices, but partially counterbalanced by moderate increases in those of sugar and dairy.

FPI's 22.9% inflation was ahead of our expectation in December where we had expected a beginning of a levelling off, and a gradual decline commencing in the New Year as the impacts of the less challenging upstream influences begin to feed through into prices.

We are now just one month away from a full year of double-digit inflation, following which we should see the year-on-year impact reducing levels of inflation. Slowing consumer demand within the sector will also impact sales volume which should also help to ease prices, and commodity markets are easing. Energy and labour costs remain a significant challenge however, and levels of inflation are likely to only ease slowly during the remainder of 2023 as a result.



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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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 is the definitive On Premise measurement, insight and research consultancy that empowers the world's most successful food and drink brands.

With more than 30 years' experience and best-in-class research, data and analytics, CGA is uniquely positioned to help On Premise businesses develop winning strategies for growth.

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CGA works with food and beverage suppliers, consumer brand owners, wholesalers, government entities and pub, bar and restaurant retailers to protect and shape the future of the On Premise experience.

Its mission is to use phenomenal data and expert insights to give brands a competitive edge and ensure the market we love is the most vibrant possible.

To learn more, visit: www.cgastrategy.com

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