



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

Snapshot Report - March 2023

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

Monthly Snapshot..

Executive Summary

Food and Beverage Inflation falls below 20% for the first time in 5 months

There has been some small but welcome relief for the hospitality industry as the March CGA Prestige Foodservice Price Index reports a fourth consecutive fall in year-on-year inflation, down to 18.9%. For the first time in five months, food and beverage inflation has fallen below 20%. However, the report also shows a 0.7% increase in food and beverage pricing month-on-month, marking 18 successive months of increased pricing for the sector. While prices continue to rise, the report presents clear evidence that price inflation is slowing down.

The Dairy, and Oils & Fats categories have reported month-on-month deflation, as increased milk production, and falling edible oil prices begin to offer some relief to the Index. While only two categories have reported month-on-month inflation of 2% or over.

Inflation Ups & Downs against February..



Wheat pricing remains volatile, as the agreement between Russia, Ukraine, Turkey, and the UN to allow cereals to be exported from Ukraine through a 'Grain Corridor' remains short term, causing uncertainty. The Kremlin has stated that the outlook is "not so great" for extending beyond the current agreement which expires on 18th May 2023, raising concerns over what happens next with the U.N.-backed sea corridor. However, despite the Grain Corridor volatility, Wheat pricing has continued to fall since its peak in April 2022. In fact, March 2023 saw wheat pricing hit its lowest level since October 2021. This fall in pricing is good news for many of the FPI categories, as falling wheat prices will help alleviate inflation in feed pricing, reducing the cost of rearing livestock including farmed fish and chicken, where feed price has a large impact on cost of production.

Crude Oil, a major upstream influencer on the price of food, has also seen significant falls in recent months, reporting a 24.4% fall year-on-year and a 4.4% fall month-on-month in March. These continued declines should help alleviate some of the pressures currently facing the food and beverage market, and while other factors such as labour, energy and currency markets will continue to influence pricing, falls in food inflation should continue to follow.

However, the CGA Prestige Foodservice Price Index is expected to show a mixed picture within the various categories over the next six months. Some categories, such as Sugar, are fluctuating as supply uncertainties remain, while others, such as Dairy, and Oils and Fats, are likely to see falling inflation.



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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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