



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

## **Snapshot Report - January 2023**

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

# Monthly Snapshot..

## Executive Summary

2023 begins with a small positive step for inflation.

As we predicted, 2023 has begun with The CGA Prestige Foodservice Price Index (FPI) falling to 22.0%, just below the record high of 22.9% reached in December 2022.

In January 2022 prices began to rise quite sharply after a benign 2021, and this January's results indicate that prices are still rising fast – just less quickly than in the same month last year. We expect to see these base effects continue during the remainder of 2023, with prices rising but at a slower rate than they did in 2022, leading to a slow fall in inflation. January's index also marks the passing of a full twelve-months since the onset of double-digit inflation. All categories within FPI remain in double digit inflation, with Oils & Fats continuing to lead the way at a spectacular level of 42.2% year-on-year.

### Inflation Ups & Downs against December..



January continued the trend of surging Vegetable prices which rose over 3.5% month-on-month for the third month running, registering 27.6% inflation. Oils & Fats, whilst still registering the highest level of inflation did register a month-on-month fall of -1.4% in January, and Oil commodity pricing indicates that this should fall further in the months ahead. Conversely, Milk/Cheese and Eggs continue their upwards surge reaching inflation of 37.7% through a month-on-month increase of a further 1.8%.

The major upstream influencers on the price of food (Oil, Exchange Rates and Commodity Markets) are now very stable when compared to 2022, with the cost of oil stable during January at \$86 and the £ stable against the Euro and the dollar at €1.14, and \$1.24.

The UN FAO Food Price Index of food commodities averaged 131.2 points in January 2023, down 1.1 points (0.8 percent) from December, marking the 10th consecutive monthly decline. With this latest decline, the index has fallen 28.6 points (17.9 percent) from the peak it reached in March 2022. The drop in the index in January was driven by declines in the price indices of vegetable oils, dairy and sugar, while those of cereals and meat remained largely stable.

We expect to see inflation easing slowly over the course of 2023 as commodity pricing and prior year impacts kick in. Slowing consumer demand within the sector will also impact sales volume which should also help to ease prices. Energy and labour costs remain a significant challenge however, so the rate of inflation decline may be slow for some time.



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](http://www.cgastrategy.com)

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