



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

Snapshot Report - December 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 December 2024 continues to indicate the worrying resurgence of inflationary pressures in the UK hospitality sector. While the year-on-year inflation rate continued its gradual decline, falling to +1.9%, a significant month-on-month increase of +1.0% has raised concerns about a potential reversal of the positive trend observed in recent months.

December's results mark a departure from the previous two months, with all 10 categories experiencing month-on-month inflation. This broad-based increase, the highest since June 2024, suggests that inflationary pressures are becoming more entrenched across the foodservice sector.

Despite the month-on-month surge, several categories showed a continued easing of year-on-year inflation. Vegetables (+3.0%) and Sugar, Jam, Syrups & Chocolate (+3.5%) saw significant declines in their annual inflation rates. However, Oils & Fats (+5.7%) emerged as a category of concern with a notable increase. Fish (-1.2%) remained the only category to experience year-on-year deflation.

Inflation Ups & Downs against November..



The December figures reinforce concerns raised following the Autumn Budget. The increase in the FPI forecast as a result of the budget means the December 2025 projection now sits at +4.4%, considerably higher than the pre-budget projection. This, combined with the significant month-on-month increase, suggests that the risk of a sharp price surge in 2025 remains substantial.

The global economic context offers a mixed picture. The FAO Food Price Index (FFPI) fell slightly in December, driven by decreases in sugar, dairy, vegetable oils, and cereals. However, it remained above the corresponding level from a year ago. The USD continued its strengthening trend against the GBP, while the EURO weakened further. Average Brent crude oil prices also saw a continued, albeit slight, increase.

The December FPI report paints a concerning picture for the UK hospitality sector. The significant month-on-month inflation increase, coupled with the looming impact of the Autumn Budget, suggests that the sector may be facing renewed inflationary challenges. Operators must remain vigilant and adopt proactive strategies to mitigate the impact of these pressures on their businesses and consumers.



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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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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