## The Rising Storm

### UNDERSTANDING INCREASED **VOLATILITY IN FOOD PRICES**



Food prices are more unpredictable than ever, driven by global events, supply chain issues, and economic pressures. This volatility impacts both consumers and producers, creating financial strain throughout the food industry.

## **Key Drivers of Food Price Volatility**



### Egg and poultry supply **↓**

**BIRD FLU OUTBREAKS** 

- Supply chain strain 1
- **FOOD & COMMODITY TARIFFS**

Prices on key goods **↑** 

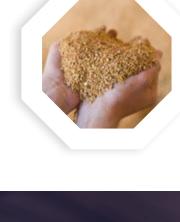
Import costs **↑** 



PRESSURE ON CONSUMERS

- Purchasing power

Grocery bills **↑** 



### Costs for feed and labor **1**

PRESSURE ON PRODUCERS

- Farm profits **↓**

# Over Time

**Food Price Trends** 

### 2020 +3.4%

+3.9%

U.S. FOOD PRICE CHANGES (2020-2025)1

	2022	+9.9%
	2023	+5.8%
	2024	+2.3%
	2025 (Forecast)	+3.4%
<b>Trend Insight:</b> Food prices peaked in 2022, followed by a decline in growth rates. The 2025 forecast suggests prices may rise modestly but remain below recent highs.		

2021

Navigating
The Volatility



### IMPROVED FORECASTING Accurate demand planning helps

over- or under-supply. **DIVERSIFIED SUPPLY SOURCES** 

Sourcing from multiple regions or

retailers and producers avoid costly



### suppliers reduces reliance on volatile

markets.



### **COMMODITY HEDGING STRATEGIES**

Locking in costs for key ingredients can help businesses stabilize expenses and protect margins.

