

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



BIRD FLU OUTBREAKS

- Egg and poultry supply ↓
- Supply chain strain ↑



FOOD & COMMODITY TARIFFS

- Import costs ↑
- Prices on key goods ↑



PRESSURE ON CONSUMERS

- Grocery bills ↑
- Purchasing power ↓



PRESSURE ON PRODUCERS

- Costs for feed and labor ↑
- Farm profits ↓

Food Price Trends Over Time

U.S. FOOD PRICE CHANGES (2020–2025)¹

2020	+3.4%
2021	+3.9%
2022	+9.9%
2023	+5.8%
2024	+2.3%
2025 (Forecast)	+3.4%

Trend Insight: 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.

Navigating The Volatility



IMPROVED FORECASTING

- Accurate demand planning helps retailers and producers avoid costly over- or under-supply.



DIVERSIFIED SUPPLY SOURCES

- Sourcing from multiple regions or suppliers reduces reliance on volatile markets.



COMMODITY HEDGING STRATEGIES

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