

GATHER + GATHER

LATEST INFLATION UPDATE

April 2026

FOOD INFLATION UPDATE

Irish food price inflation still looks relatively contained in the latest Central Statistics Office (CSO) Consumer Price Index release, with Food + Non Alcoholic Beverages up **2.3% year on year in March 2026**. That headline, though, can lag what's happening underneath.

The conflict in the Middle East has driven up energy and freight costs, and fertiliser pricing remains closely tied to gas. These costs rarely hit menus overnight: they tend to seep through as contracts reset and processors, hauliers and distributors re price.

On our side, we're leaning on procurement, menu planning and close supplier conversations to take the sting out of any shocks, without compromising quality. Even so, some upward drift in food costs is a realistic base case for the months ahead – and it's worth building that into budgets now.

Why prices are expected to increase
Ireland may not sit at the centre of today's flashpoints, but food prices here are still set in global markets – and the pressure often arrives by proxy.



FOOD INFLATION UPDATE

Energy costs

Food production and distribution are highly energy dependent. This includes processing activities such as pasteurisation, milling, baking and chilling, as well as cold storage and temperature controlled transport. Higher electricity and fuel prices feed directly into production and logistics costs.

Fertiliser + agricultural inputs

Fertiliser costs are closely linked to natural gas prices, which remain sensitive to geopolitical instability. As fertiliser is a key input for both tillage and animal feed production, price increases tend to pass through into food costs with a lag. Ireland's reliance on imported fertiliser means global price movements are typically reflected domestically.

Logistics + supply chains

Disruption to major sea lanes tends to ripple far beyond the immediate routes involved. Longer diversions, higher insurance and tighter container availability can all lift the landed cost of imported ingredients – particularly anything perishable or temperature controlled. In practice, these pressures tend to materialise **weeks or months after an external shock**, rather than immediately.



CATEGORIES MOST EXPOSED TO INCREASES

- **DAIRY**

(milk, butter, cheese, cream) - high risk

Dairy processing is energy-intensive, requiring pasteurisation, drying and continuous refrigeration. Farm input costs, including feed and fertiliser, also feed through with a delay, creating ongoing price pressure.

- **MEAT + POULTRY**

- high risk

Energy costs affect slaughtering, chilling and storage, while feed costs remain elevated. Beef prices in particular have increased sharply at farm gate level and are likely to remain volatile.

- **BREAD, CEREALS + GRAIN BASED PRODUCTS**

- medium to high risk

Grain production is sensitive to fertiliser pricing, while milling and baking are energy-intensive processes. These products often display lagged inflation following energy market shocks.

- **IMPORTED FRUIT + VEGETABLES**

- medium risk

Ireland's reliance on imported produce makes this category sensitive to fuel costs, shipping insurance and longer routing times. Perishable supply chains amplify exposure to refrigeration and logistics costs.

- **FISH + SEAFOOD**

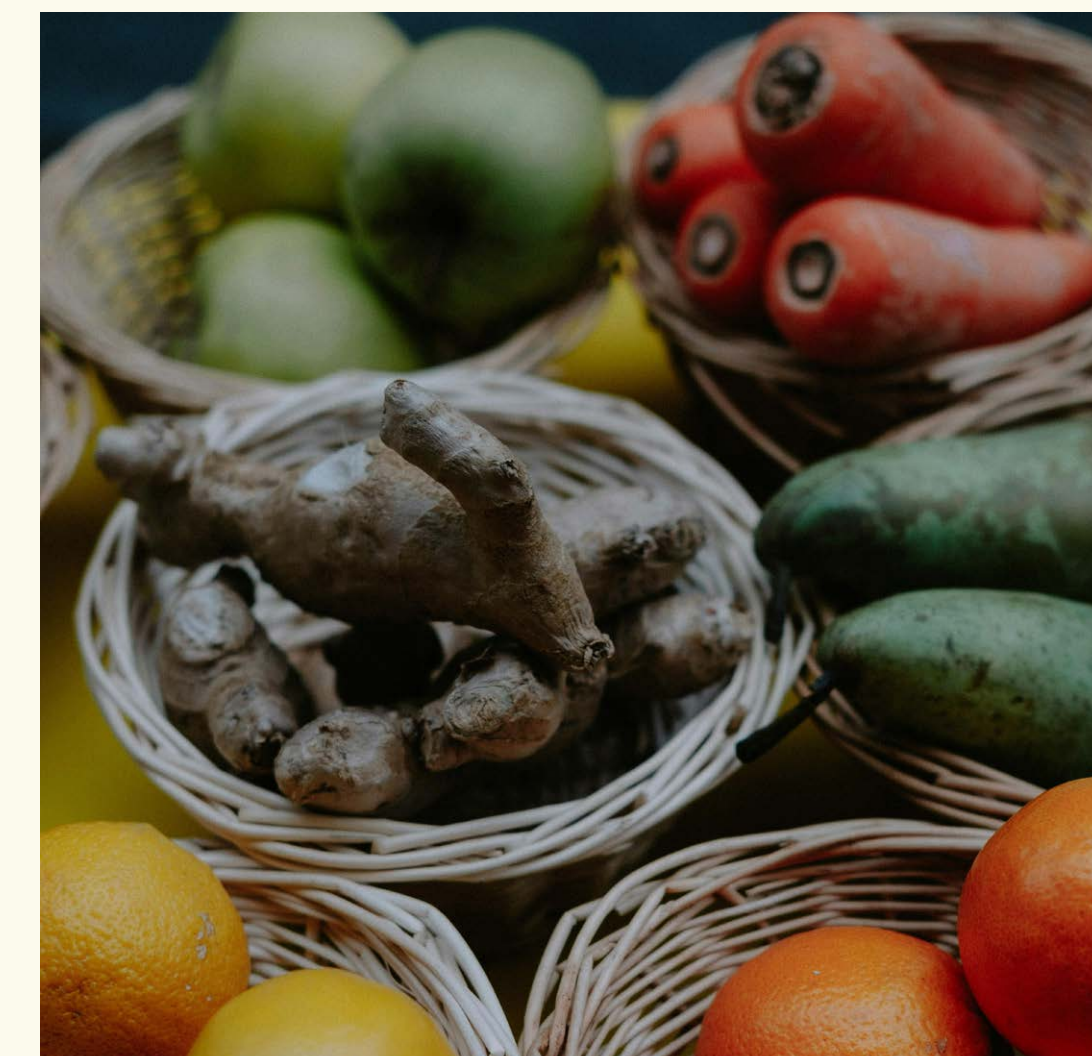
- medium risk

Fishing fleets are directly exposed to diesel prices, with additional cost pressure from processing and cold chain storage.

- **AMBIENT GROCERY**

(coffee, chocolate, sugar, rice) - low to medium risk

These categories are already influenced by global supply and climate factors. Current disruption acts more as an inflation amplifier rather than a primary driver.





INFLATION MITIGATION

How we are mitigating inflationary pressures

We continue to take a proactive approach to managing food cost inflation across all sites.

Our actions include:

- **Smarter sourcing**
Prioritising local and seasonal supply where it supports quality, availability and value.
- **Supplier competition + benchmarking**
Maintaining approved alternatives, using market comparisons and challenging increases where appropriate.
- **Menu design**
Engineering menus to balance cost, nutrition and customer choice, while managing exposure to high volatility ingredients.
- **Contracting tools**
Using price hold periods and forward buying for selected categories, where appropriate and effective.
- **Scale benefits**
Leveraging Compass Group's purchasing volumes to strengthen buying power across key categories.

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FOOD COST BUDGETING

Food inflation outlook (planning scenarios)

To support forward planning, we continue to work with three indicative scenarios:

- **Central scenario (3% to 5%)**
Energy prices stabilise and supply chains continue to normalise.
- **Elevated scenario (5% to 6%)**
Volatility persists and higher input costs feed through more quickly.
- **High disruption scenario (6% to 8%)**
Prolonged shipping disruption and/or further fuel price spikes.

Conclusion and budgeting guidance

Whilst the CSO is reported low food inflation in March, there are underlying drivers - energy, fertiser and freight that are moving in a less comfortable direction. Building some headroom into plans now is usually cheaper than scrambling later..

For budgeting purposes, we recommend planning for **3% to 5% food inflation as a central range**, with a contingency of up to **6% to 8%** if disruption escalates. We will continue to monitor developments closely and work in partnership with clients to manage cost pressures while maintaining service standards and food quality.



THANK YOU

For more information on how we're managing inflation for your site, please contact your Account Manager.