



FoodByUs Index End of Year Report

Empowering hospitality: From kitchen to boardroom, data-driven decisions served fresh.

January 2025



Introduction

A laser-focused view of the \$65 billion foodservice industry.

In 2024 the foodservice industry has experienced a year of remarkable volatility and transformation. The FBU Index was born out of our desire to help navigate these ups and downs by providing critical insights into the complex landscape of ingredient pricing and market trends.

Our inaugural year of the FBU Index has demonstrated the critical need for specialised market intelligence in the foodservice sector. Unlike broad economic indicators like the Consumer Price Index, our index offers tracking of the precise cost dynamics that impact operators daily.

By anonymising and analysing our extensive dataset, we've created a tool that brings unprecedented transparency to food cost trends.

From small venues to large distributors, manufacturers to investors, the FBU Index provides a comprehensive snapshot of market movements that matter most to industry professionals.

Our commitment remains clear: transform complex market data into actionable intelligence.

As we look back on the challenges and opportunities of 2024, the FBU Index stands as a testament to our mission of empowering the hospitality industry with data-driven solutions.

In the following pages, we'll break down the year's most significant trends, offering insights that go beyond numbers to tell the real story of our industry's resilience and innovation.

FoodByUs Inflation

Food inflation is the ongoing rise in food and ingredient prices that directly impacts restaurants, cafes, and other food service businesses. Our unique approach of using granular, real-world transaction data provides an accurate picture of true food cost trends compared to broader economic indicators.

Inflation measures the rate at which the prices of goods increase. It's not just a single number, but a comprehensive view of price changes across multiple product categories. For food service businesses, this means understanding how the cost of everything from produce to proteins is changing month-over-month and year-over-year.

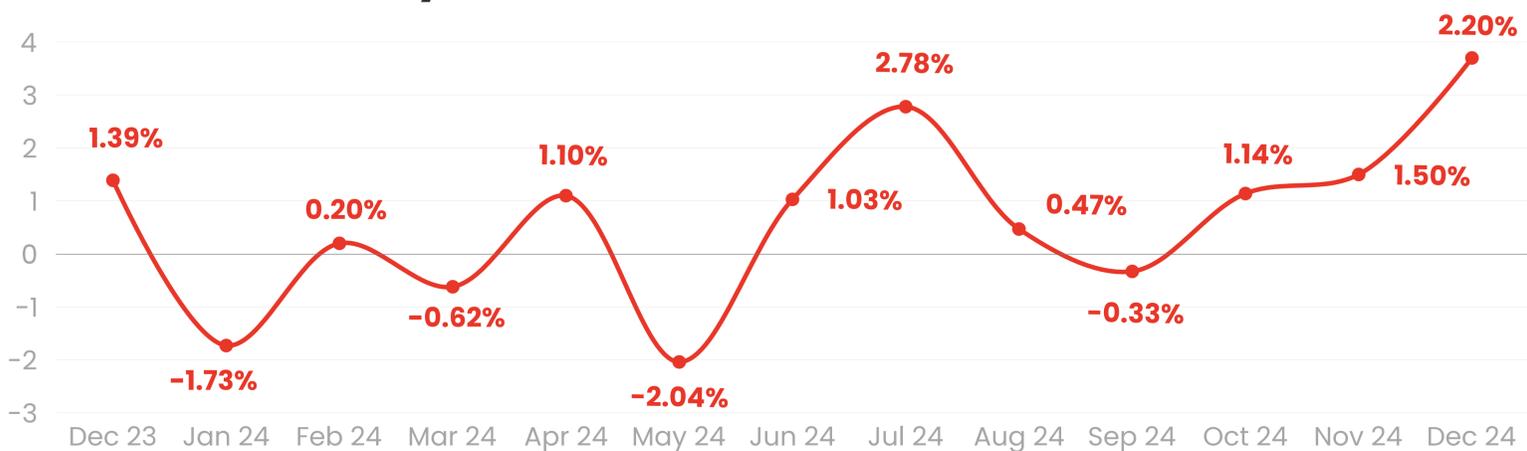
The factors driving these price increases include:

- Unpredictable weather patterns affecting crop yields
- Supply chain complications
- Shifts in consumer preferences
- Broader economic conditions like global trade and monetary policies

For food service venues, these rising costs can quickly erode profit margins. A small increase in ingredient prices can translate to significant additional expenses, especially for businesses operating with tight financial margins.

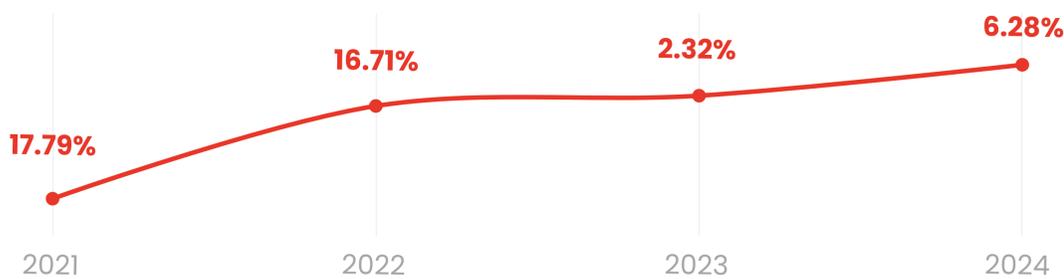
The challenge isn't just about tracking current prices, but also predicting potential future trends that could impact operational budgets. Successful venues learn to be agile, adjusting their sourcing, menu design, and pricing to maintain profitability in a dynamic market.

Overall inflation by Month



% inflation of all products on FoodByUs (monthly)

Overall inflation by Year



% inflation of all products on FoodByUs (yearly)

Our FBU Index of food service inflation finished up 6.28% for the year.

Category Inflation

Our inflation analysis reveals significant price disparities across food categories. This highlights the complex landscape of ingredient pricing alongside inflation in the foodservice sector.

All the seasonal fluctuations during the year for fresh proteins (think meat, poultry and seafood) have ended the year flat, with Meat & Poultry down 1.4% and Seafood up 3.1%.

The biggest category inflation was baked goods - up 18.1%. This could be that the category is catching up for 4 years of relatively flat pricing growth but time will tell whether these prices stay high for the first quarter of next year.

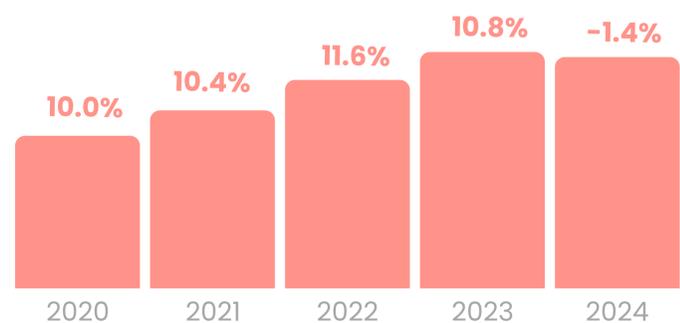
Alcohol is up 17.5% this year, on top of a 16.8% increase last year. Consecutive increases in the excise tax have been the main driver.

2024 Category Inflation

 Baked Goods	+18.1% ↑
 Alcohol	+17.5% ↑
 Pantry	+7.9% ↑
 Fruit & Veg	+6% ↑
 Dairy & Eggs	+5.4% ↑
 Seafood	+3.1% ↑
 Meat & Poultry	-1.4% ↓

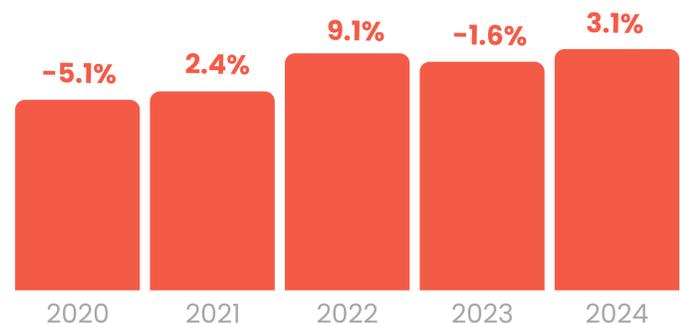
% inflation of all products on FoodByUs by category (since last year)

Meat & Poultry



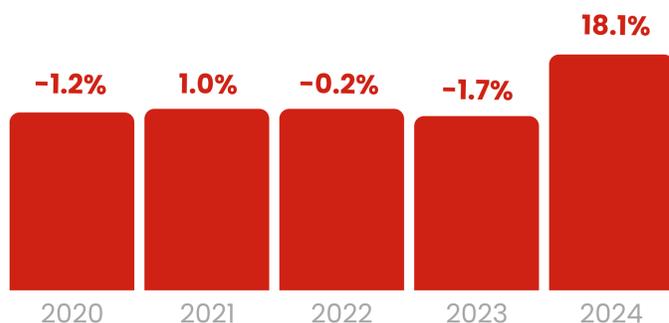
% inflation of Meat & Poultry on FoodByUs by year

Seafood



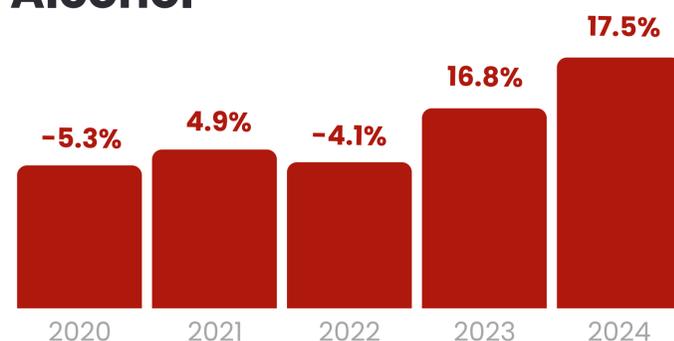
% inflation of Seafood on FoodByUs by year

Baked Goods



% inflation of Baked Goods on FoodByUs by year

Alcohol



% inflation of Alcohol on FoodByUs by year

FoodByUs Finds

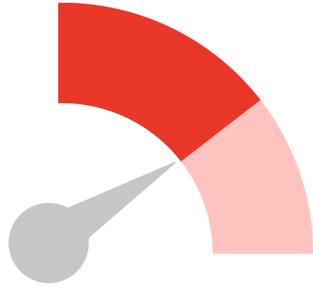
Our Take On The Avo On Toast Index

No dive into the world of food service in Australia would be complete without a take on the "Smashed Avo on Toast Index" up 4.6%* on last year.

We are all aware of the seasonality of avocados but our index also includes the cost of those lashings of butter and our favourite slices of sourdough.

Avo, butter & sourdough

+29%



Ingredient costs were \$3.39 in December 2023 and finished at \$4.36 in December 2024 - up almost 29% for the year. Historically, this seasonal price increase happens in the first quarter of the year, when the avocado season is finished but prices started rising much earlier - around July/August.

*average monthly price over the year

Other Notable Finds

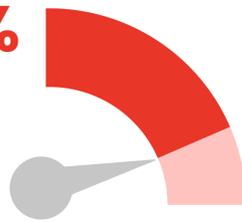
Bagels

+83%



Limes

+34%



Lemons

-18%



The price of limes has increased by 34% this year due to factors such as poor weather conditions and supply chain disruptions, On the other hand, the price of lemons has decreased by 18% due to abundant supply.

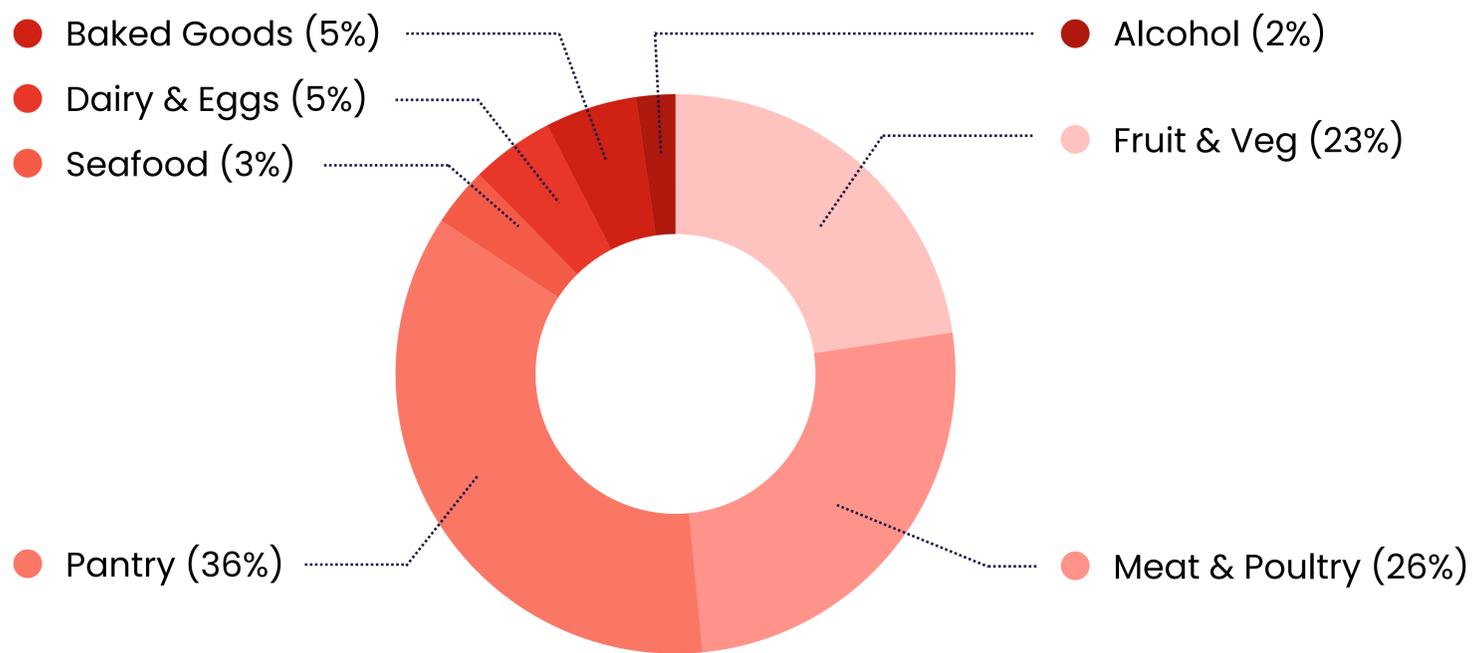


Category Spend

To understand how price fluctuations in food ingredients can most significantly impact a venue's bottom line, it is essential to examine the distribution of spending across various food categories. This chart illustrates the proportion of a venue's total food ingredient expenditure allocated to each category.

By identifying the categories that consume the largest portion of the budget, we can pinpoint areas where even small price increases can have a substantial financial effect.

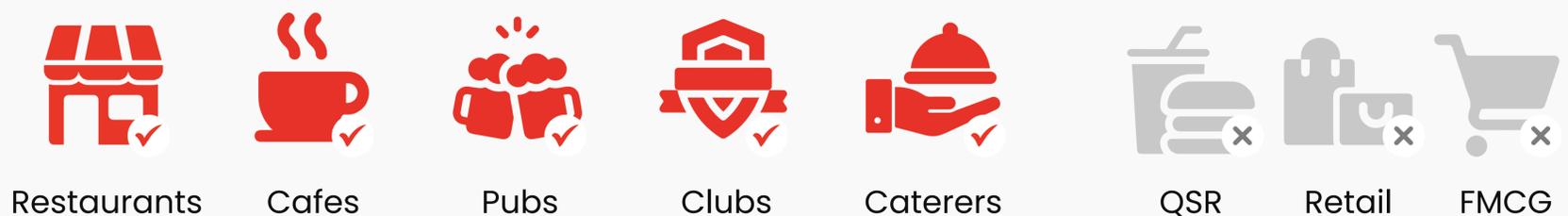
Spend across categories in 2024



% split of spend by category on FoodByUs (in 2024)

Our Data Footprint

FoodByUs is data driven at the core. We categorise, consolidate and measure purchasing activity from foodservice venues (predominantly independent locations and small hospitality groups) with product level detail. Our data footprint does not include QSR, retail or FMCG.



FoodByUs is Australia's #1 wholesale food ordering software that goes beyond simple ordering. Our platform offers a comprehensive solution for multi-venue operators and individual operators through to multi site groups looking to manage their business profitability strategically.

Our platform provides:

- Simple ordering from any distributor across all categories
- Advanced menu costing tools
- Seamless accounting integrations
- Point of sale integrations
- Real-time procurement management

With a growing network of 3000 suppliers and processing over 20,000 carts monthly, we're transforming how foodservice businesses approach purchasing and financial planning.

Founded in 2017 by the co-founders of Menulog, our team brings deep expertise in technology, data, and the intricate dynamics of the food service industry.

Our customised data snapshots deliver transparent, unbiased, live transactional data from the independent food service market.

We're not just tracking trends; we're revolutionising food service procurement. Our software is designed to help businesses stay ahead of market fluctuations, optimise operations, and drive profitability.

Stay tuned for more insights from the FBU Index and discover how our cutting-edge procurement software can transform your business.

Want to learn more?

For more information about our data & insights and marketing products please contact:

Amber Phelps

Data & Insights Sales Manager
FoodByUs
P: 0423 334 201
E: amber@foodbyus.com

Ben Lipschitz

Chief Executive Officer
FoodByUs
P: 0401 879 617
E: ben@foodbyus.com

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