



Infometrics

Economics put simply

Grocery Supplier Cost Index Update

15 July 2025

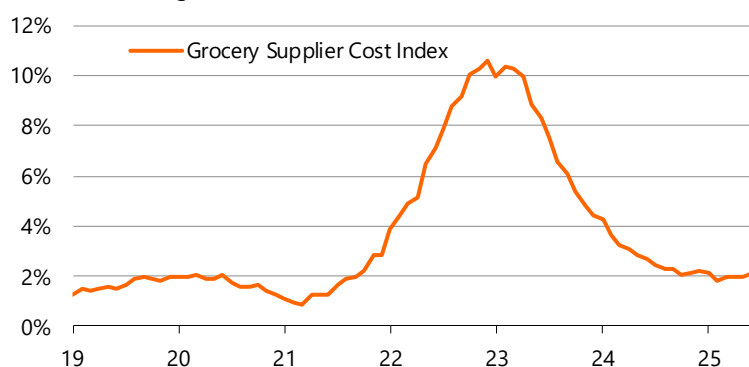
Data for June 2025

Grocery Supplier Cost Index (GSCI)

Infometrics-Foodstuffs NZ GSCI	Jun-22	Jun-25
GSCI, Jan-18 = 1,000	1,129	1,283
GSCI annual % change	7.1%	2.1%
Number of products increasing in cost	4,000	4,553

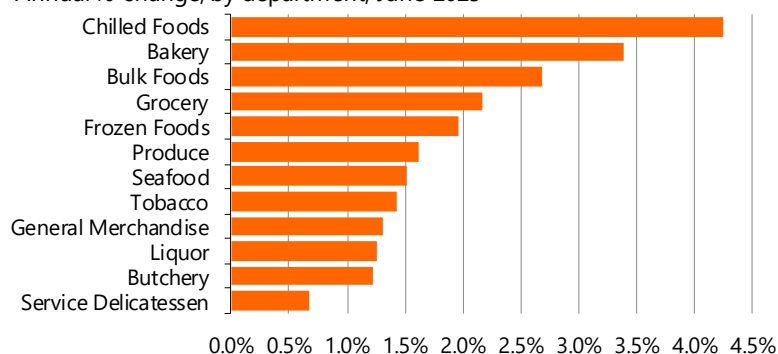
Supplier costs up 2.1%pa in June

Annual % change



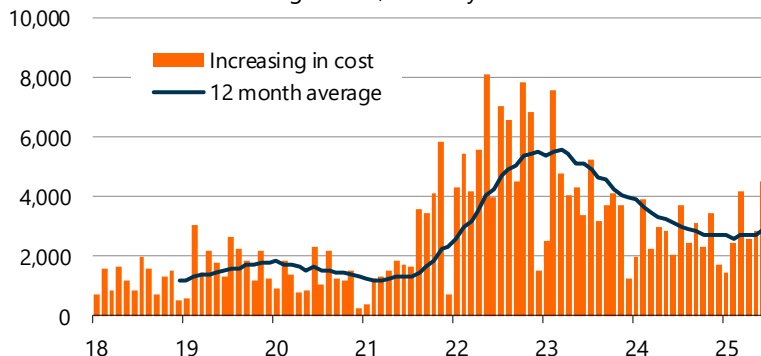
Grocery supplier costs increases by type

Annual % change, by department, June 2025



Higher number of cost increases in June

Number of items increasing in cost, monthly



Supplier costs up 2.1%pa in June

The **Grocery Supplier Cost Index** rose 2.1% in June 2025 from a year earlier. The slightly faster pace of supplier cost increases reflects underlying increases to a number of key items, with higher international food and export prices for items like dairy products contributing to domestic costs increase too.

Cost trends continue to be driven by a number of international factors, with higher commodity prices raising global food prices across dairy, meat, and other grocery foods like chocolate, coffee, and cooking oils. Some operating costs for food producers and manufacturers are still increasing a faster pace, with a notable increase in energy price inflation. Although underlying cost increases appear more contained to specific items, rather than generalised cost pressures, any broadening out of cost pressures would be worrying.

Frozen and chilled costs rise

Supplier costs rose across all departments in June, year on year. Frozen costs rose 2.0%pa on average, up from just 0.6%pa in May, driven by higher pastry and dessert costs (related to higher dairy costs). Higher dairy costs continue to push up average chilled foods costs too, with a 4.3%pa average annual increase the highest rate since mid-2023. Some produce costs, including for cabbage, mandarins, and grapes, rose in June. Chocolate and noodle costs rose in June too, contributing to the average increase in grocery foods.

More cost increases in June

Month on month, nearly 4,600 products increased in cost from May to June 2025. That's the highest monthly tally since mid-2023, although it is partially due to June having more Mondays, when cost changes generally come into effect.

July cost changes are likely to be slightly lower than usual because of this timing issue.

The Grocery Supplier Cost Index

The *Infometrics-Foodstuffs New Zealand* **Grocery Supplier Cost Index** (GSCI), commissioned by Foodstuffs New Zealand, measures the change in the list cost of grocery goods charged by suppliers to the Foodstuffs North Island and Foodstuffs South Island co-operatives. The Index utilises detailed Foodstuffs NZ data, across over 60,000 products, analysed by independent economics consultancy Infometrics to produce the GSCI and publish it on a monthly basis. For more details see www.infometrics.co.nz/product/grocery-supplier-cost-index.

Diesel prices pick up slightly in June

Diesel, main port price, c/L, weekly

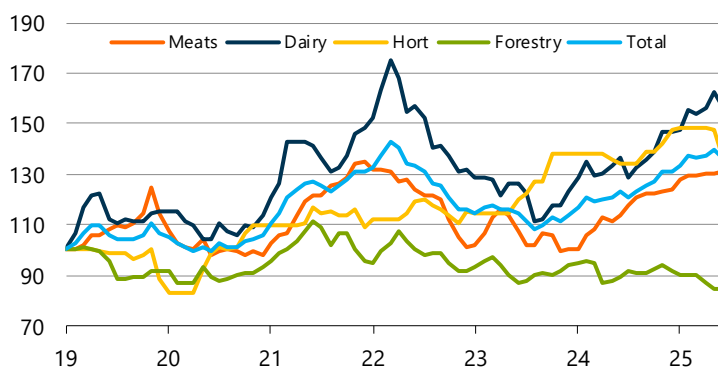


Diesel prices rise slightly in June

Diesel prices rose slightly at the end of June, to \$1.88/L, although diesel prices on average in June were 1.1% lower than the May average. Diesel prices have generally trended lower throughout 2025, with the slight increase at the end of June likely reflecting an early price adjustment to higher international oil prices arising from the Israel-Iran conflict. Dubai crude oil prices were 8.9% higher on average in June than in May, with domestic prices not adjusting as quickly as international prices. With the conflict concluded and lower crude prices, domestic prices should fall.

Commodity prices ease slightly in June

ANZ World Commodity Price Index. Jan-19 = 100



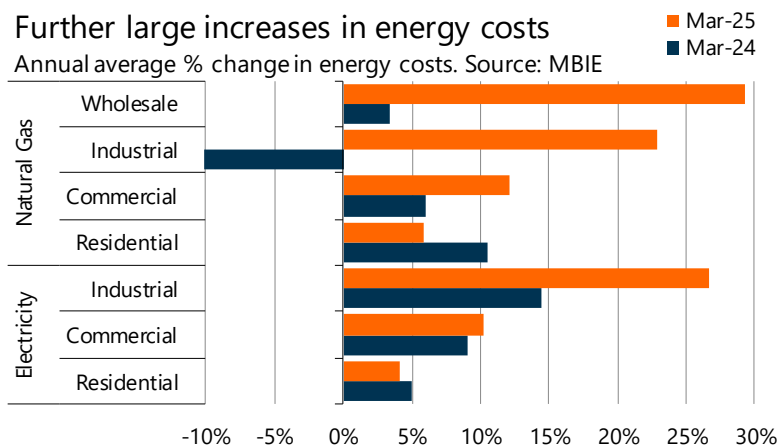
Commodity prices ease slightly

The ANZ Commodity Price Index fell back in June, down 2.3% from May, as high commodity prices adjust. Horticulture prices fell 6.9% as kiwifruit prices dropped back, with new-season fruit volumes rising according to ANZ. Dairy prices also pulled back, 3.7% from May, as recent Global Dairy Trade auctions have showed more supply and lower prices. Meats edged higher.

Commodity prices remain considerably higher than a year ago, up 11%pa on average, with larger gains for dairy and meats, up 15%pa.

Further large increases in energy costs

Annual average % change in energy costs. Source: MBIE

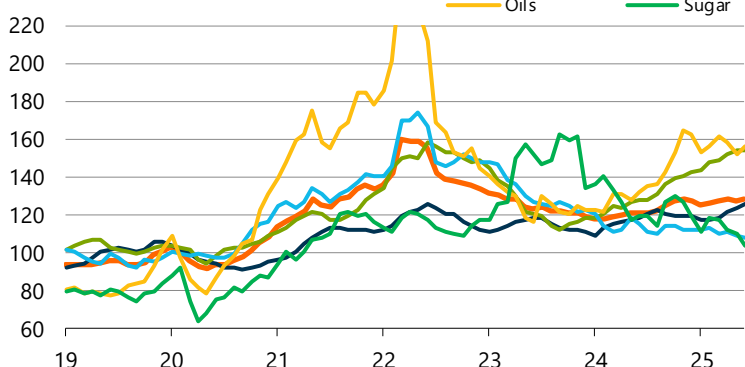


Further large energy cost rises

Large energy cost increases for businesses continue to hit operating costs. MBIE data shows a 10% increase in commercial electricity costs over the March 2025 year, and a 27%pa gain for industrial costs. Gas costs for the 2024 calendar year rose by double digit rates across commercial and industrial operations, up 12%pa and 23%pa respectively. More limited supply and continued high demand for energy has continued to push prices higher, with recent cost increases being larger than prior years and larger than the increases for households.

Global prices push higher

FAO Food Price Index. 100 = 2014-16



Global food prices still elevated

The FAO Food Price Index was 5.8% higher than a year ago in June, a faster growth rate than in May. Meat prices rose further in June, up 6.7%pa to a new high as protein supply remains more limited in some areas. Dairy prices remain elevated, up nearly 21%pa, reaching their highest point since mid-2022. Cooking oil prices also remain high, up 18%pa, although this annual growth rate is the slowest since September 2024. Lower sugar and cereals costs, down 13%pa and 6.8%pa respectively, helped limit the global increase.