



UNITED STATES

THE AVENDRA EDGE

2026 Cost Outlook

Your guide to market trends, supply insights,
key price shifts, and strategies to minimize
cost increases.





What's in this Issue?

This report offers the latest commodity market updates, backed by impartial research, reliable news sources, and the specialized local knowledge of our supply chain experts.

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EXPERTISE
Patrick Mayhew
Vice President, Head of Strategic Sourcing

Avendra International’s sourcing experts collaborate with our field support experts, supplier partners, industry analysts, and market reports to provide you with insights that empower your business decisions.

In this edition, we share critical information that helps you manage your budget for the remainder of 2025 and into 2026, along with practical tips to mitigate cost increases.

EDITOR
Cindy Claros
Marketing Manager

DESIGNER
Amanda Baker



The Avendra Edge is a collection of resources designed to deliver the very latest actionable information and solutions.

Disclaimer: Predicting the future carries a certain amount of risk. While every effort has been made to ensure accuracy, the information presented here is predictive and not intended to be taken as fact. This material is furnished for informational purposes only, is subject to change without notice, and should not be construed as a commitment by Avendra or our suppliers. While Avendra has made every effort to supply complete and accurate information, Avendra assumes no responsibility or liability for errors or inaccuracies that may appear herein. Avendra, LLC © 2025



U.S. MACROECONOMIC DEVELOPMENTS:

Macroeconomic Trends

WHAT'S NEW?

Due to ongoing trade negotiations and recent policy changes, the **Federal Reserve** is expected to keep interest rates steady at least through September. Tariff impacts will become more apparent in the coming months.

The **Consumer Price Index** (CPI), including all items, rose from 0.1% to 2.4% in May, which is less than expected.

Labor trends indicate a resilient labor market, with the U.S. economy surpassing job growth expectations.



NAVIGATING TARIFF CHALLENGES

As your trusted GPO partner, we leverage our collective buying power, market intelligence, and supplier relationships to help your business stay ahead of uncertainty. Be sure to bookmark the [myAvendra Tariff News Landing Page](#) for ongoing updates. If you are not a client or customer, [submit for access here](#).

MAIN IMPACTS

- The U.S. economy added 139,000 jobs in May, surpassing expectations. The unemployment rate remained steady at 4.2%, and hourly earnings remained consistent with the rate in April 2025, with a 3.9% year-over-year increase. The leisure/hospitality sector added 38,000 jobs in May.
- The CPI increased in nearly every category, with notable decreases in energy commodities (-11.5%) and airfare (-7.9%). The decrease in energy commodities was driven largely by gasoline price decreases.
- The University of Michigan consumer sentiment index rose to 60.5 in June, the first increase in six months, while remaining 20% below December 2024 levels. Year-ahead inflation expectations fell to 5.1% from 6.6% in May.





U.S. MACROECONOMIC DEVELOPMENTS:

Energy/Transportation Markets

WHAT'S NEW?

As trade negotiations continue between the U.S. and China, **trans-Pacific Ocean freight rates** are likely to increase. As tariff uncertainties drive surges in demand, shipping price surges follow. Shipping rates from Shanghai to New York increased 19%, while other routes saw only marginal changes.

Oil prices rose due to risks posed by airstrikes between Iran and Israel, which have raised fears that an escalation may impact Iran's ability to produce or export oil.

As demand for global **oil production** declines, the U.S. Energy Information Administration (EIA) forecasts a significant drop in Brent crude oil prices. The outcome of ongoing tariff negotiations between the U.S. and China could reduce energy demand. Saudi Arabia has asked OPEC+ for increased output, leading to questions of oversupplying the market.

MAIN IMPACTS

- The Drewry World Container Index increased by 59% during the four weeks from mid-May to mid-June.
- The U.S. EIA forecasts Brent crude oil prices to average \$66 per barrel in 2025, down from \$81 per barrel in 2024. This decline is expected as global oil production and inventories outpace demand.
- Regular unleaded gas prices were at \$3.13/gallon nationally as of June 13, down from \$3.46 one year ago. This decrease is attributed to a decrease in crude oil prices.





U.S. MACROECONOMIC DEVELOPMENTS:

Agricultural Markets

WHAT'S NEW?

Tight supplies in the **cattle market** will continue to keep beef prices high. The USDA has suspended cattle imports from Mexico due to screwworm, a parasitic fly that lives on the flesh of livestock. The U.S. imports feeder cattle from Mexico, so this suspension will lead to decreased availability of cattle as they remain on feed for longer.

The impacts of the **Highly Pathogenic Avian Influenza** (HPAI) outbreaks have subsided for now, with bird migration nearly complete, though future flare-ups remain possible. Dairy farmers report fewer cases of HPAI in their dairy herds, and milk production per cow has increased.

Due to competition from Brazil, U.S. **soybean exports** are expected to decrease, potentially leading to lower prices domestically. The demand for Brazil's soybeans is being driven largely by China, as tariff negotiations between China and the U.S. continue.

MAIN IMPACTS

- The USDA raised its 2025 cattle price forecast by \$9, to \$214.51/cwt, which is 15% higher than 2024. Beef production is forecast to drop 5% in 2026 due to lower slaughter rates and limited feeder cattle supply.
- The USDA reports that current egg lay rates are only 5% lower than one year ago. Liquid whole egg prices are slightly lower.
- The all-milk price forecast for 2025 is \$21.95 per hundredweight (cwt), which is up \$0.50 from the May 2025 forecast, but still lower than 2024's all-milk price average of \$22.61 cwt. Forecasts for milk production through 2025 have increased to 227.8 billion pounds, up from 224.9 billion pounds in 2024.





HIGH-LEVEL INFLATION OVERVIEW: Food & Beverage

Short term refers to the expectation for the remainder of 2025 relative to current prices.
Long term refers to the expectation for calendar year 2026 (through July) relative to current prices.

[View F&B commodity-level forecasts »](#)

3-5 % Short term **3-5 %** Long term

MAIN IMPACTS

Food & Beverage is expected to remain in the low- to mid-single digits over the next 12 months.

While commodities are trending somewhat favorably in general, the international trade agenda of the current administration and its potential tariff ramifications are fueling market volatility.

Beef prices remain high and are expected to remain elevated. Pork and chicken will likely offer opportunities to balance the center-of-the-plate cost. The beverage category is seeing some improvement with both coffee and orange juice trending downward, but both are still significantly higher than historical averages. Cocoa is still in short supply.

Supply chains remain stable for now, but significant uncertainty persists due to evolving U.S. tariff policies. What was set to clear up in July is instead deferred—tariff decisions are now expected in early August. Further clarity will depend on whether the U.S. can broker deals with key trade partners or whether tariff hikes come into force.

RECOMMENDATIONS

- Be flexible with center-of-the-plate choices and menu planning. Keep an eye out for cost reduction opportunities, particularly with seasonal products. Ensure menu pricing is adjusted as required.
- Ensure you are subscribed to receive Avendra's monthly [Food Flash](#) with timely price fluctuations and food trend insights.

Avendra Field Advice

» To make the most of your purchasing power, review your Bracket and Impact reports with your Master Food Distributor (MFD) representative each month. This quick, high-impact practice helps uncover product savings, expand bracket participation and reduce overall food costs, giving you more control and clarity in your supply chain operations. Your MFD reports are now available in the myAvendra customer portal.

Aneta Mandarino
Manager, Field Support
& Customer Relations







HIGH-LEVEL INFLATION OVERVIEW:

Rooms Operations

Short term refers to the expectation for the remainder of 2025 relative to current prices.
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Textiles (Linens & Towels)

3-5% Short term **0-1%** Long term

Short Term:

Cotton prices are expected to increase slightly due to rising production costs mainly related to labor and energy and a slight decrease in overall demand as more sustainable fibers are being introduced and utilized.

As more production and inventory management shifts near shore to meet client demands, we could see short-term increased costs related to reshoring and manufacturing investments.

Long Term:

Small increases have been announced, driven by minimum order quantities as well as increases in labor and material costs.





HIGH-LEVEL INFLATION OVERVIEW:

Rooms Operations

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Amenities



Short Term:

Soaps & Liquids: Prices are expected to increase due to increased costs in componentry and materials, including tariffs on bottles and pumps typically produced in China. Manufacturers are unlikely to be able to resource their materials to avoid tariff impact until sometime in 2026, if at all.

Bath Accessories: China is the primary manufacturing location for most bath accessory items and has therefore been subject to the volatile tariff rates in 2025.

RECOMMENDATION

- Customers may mitigate cost increases by avoiding customized or proprietary items that manufacturers cannot leverage for higher MOQs or production efficiencies.

Long Term:

Soaps & Liquids: Beyond the impact of tariffs, primary cost drivers continue to be RSPO and PCR as amenity collections continue to evolve to more sustainable packaging and formulation in keeping with guest expectations. Varying by product, RSPO and PCR typically result in a 5%–7% increase compared to non-certified palm oil and virgin resin.

Bath Accessories: Beyond the impact of tariffs, plastic reduction and conversion to paper-based packaging are factors impacting accessory collections, particularly as individual states continue to ban single-use plastics. FSC paper-based cartons or pouches are becoming more widely available for stock collection but are often subject to volume commitments and/or a 4%–6% price increase over traditional virgin plastic packaging.

RECOMMENDATION

- Customers may find more value by foregoing customization and choosing non-committed stocklines.





HIGH-LEVEL INFLATION OVERVIEW:

Golf

Short term refers to the expectation for the remainder of 2025 relative to current prices.
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Golf Cars



Short Term:

EZGO: No price increases are expected through the end of the year. The supplier has not announced program pricing changes due to tariff issues at this time. Lead times for all golf car and utility vehicles are approximately 90 to 120 days. All orders are first-in, first-out build times, so times can change depending on order cycles.

Long Term:

EZGO: Although 2026 pricing has not yet been announced, we anticipate an increase of 3%–5% due to rising lithium battery, materials, labor and transportation costs.

RECOMMENDATION

- Customers are encouraged to place their fleet orders as soon as possible to mitigate anticipated 2026 price increases.





HIGH-LEVEL INFLATION OVERVIEW:

Golf

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Golf Mowers



Short Term:

Toro: Pricing for commercial mowing equipment is expected to increase on November 1, 2025 in the range of 4%–5%. There could still be moderate rises due to continued increases in the cost of raw materials, computer chips and labor, along with tariff uncertainty. Build times continue to vary by SKU. In general, Toro is delivering based on when each order was received. We are still 1-12 months out (depending on the model number) on deliveries. Build times for utility vehicles are 2-9 months; mowing equipment is 3-10 months. Toro expects to be “normalized” by 2026, meaning we’ll be back to distributors having most model numbers / SKUs in their inventory and short wait times on deliveries.

John Deere: Mower products have availability through Q4. Potential price increases will take effect around November 1, 2025 for 2026 models.

Golf utility vehicles: Currently have availability through Q4.

Long Term:

Toro: Pricing for 2026 has not been announced. We anticipate prices rising 3%–5% driven by electrification, steel and component costs and additional advanced features.

John Deere: Prices for 2026 have not been announced. However, we expect prices to increase 3%–5%, with higher-end models seeing the largest hikes due to emissions compliance and tech upgrades.

Golf utility vehicles: 2026 pricing was just announced for utility vehicles and will be a 1%–2% increase across the board.

RECOMMENDATION

- Customers are encouraged to place their orders as soon as possible to mitigate anticipated 2026 price increases.





HIGH-LEVEL INFLATION OVERVIEW:

Golf

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Turf Chemicals

3-5% Short term **2-5%** Long term

Short Term:

Fertilizers: Pricing should be stable for the next six months. Prices have a close connection to natural gas and oil pricing. Any major spikes in the commodities will influence fertilizer pricing.

Seed: Seed pricing and availability are stable for the summer of 2025. Ryegrass, which is the most popular type of seed, will be available with no price increases expected.

General turf products: Manufacturers are slowly implementing price increases that were delayed due to waiting on tariff outlook. Prices are expected to rise 3%–5% over the remainder of the year, though it is not across the board for all products or every manufacturer.

Long Term:

Fertilizers: We anticipate fertilizer costs rising 2%–4% in 2026 due to increasing material costs and transportation and regulatory pressures.

Turf Seed: Premium bentgrass and Bermuda seed are expected to rise 3%–5% through July 2026. Overseeding blends may see 2%–4% increases, especially where seasonal transitions are critical.

General turf products: Prices are expected to increase 3%–5% through July 2026.

RECOMMENDATION

- Customers are encouraged to take advantage of Avendra's Early Order discount program for next season's requirements in Q4 to mitigate price increases.





HIGH-LEVEL INFLATION OVERVIEW: Non-Food

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Capital Equipment & Smallwares

3-5% Short term **5-7%** Long term

Capital Equipment

Short Term:

Prices are expected to increase due to elevated demand and increased material and labor costs, as well as supply chain disruptions such as tariffs, port delays, labor tensions and political volatility.

Long Term:

Prices are expected to increase due to ongoing technological advancements, the adoption of new energy efficiency standards and continued growth in the global foodservice market. Additionally, the factors mentioned in the short term may apply: increased demand, material and labor costs, as well as any supply chain disruptions.

RECOMMENDATIONS

- Consider investing in equipment with multiple functions and place orders for essential equipment before year-end to lock in current pricing.
- Consider refurbished equipment, extended warranty plans or avoiding imported goods acquired at peak prices. Invest in ENERGY STAR® certified equipment to reduce long-term operating costs and evaluate equipment with automation and IoT (Internet of Things) capabilities to improve labor efficiency and reduce waste. IoT-enabled equipment are refrigerators, microwaves and devices connected to the internet that can communicate with other devices and systems.
- Take advantage of significant discounts and expert guidance on the equipment that best fits your needs by contacting Avendra's FF&E team. Not enrolled yet? [Click here to get started.](#)





HIGH-LEVEL INFLATION OVERVIEW:

Non-Food

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Capital Equipment & Smallwares

3-5% Short term **5-7%** Long term

Smallwares

Short Term:

2025 started strong with an optimistic outlook for a rebound year. Equipment and supplies costs quickly increased due to the evolving international business climate, including tariffs on items like stainless steel, aluminum and component parts produced in other countries, putting projected optimism “on hold with its pricing uncertainty.” Supply chains have been proactive with cost-mitigation tactics like using Bonded Warehouses or shifting production altogether.

Long Term:

Prices are expected to increase due to shipping container rate pricing going up and stainless pricing hitting a historic high. The use of AI Sales, Data & Predictive Analytics tools to forecast will become the norm over the next 12 months, enabling customers to have the details to analyze themselves so they can make informed decisions.





HIGH-LEVEL INFLATION OVERVIEW:

Non-Food

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Disposables

0-3 Short term **3-5** Long term
%

Short Term:
Prices are expected to increase due to raw material inputs. There are pressures to increase domestic production due to supply chain disruptions abroad and the volatility of tariff-related increases.

Long Term:
The long-term outlook will depend on oil prices and tariff negotiations. The trade tension assumptions combined with limited pricing flexibility are reflected in the elevated 2026 prices.

RECOMMENDATION

- Consider products produced domestically to mitigate increases.

Administrative/Office Supplies

1-3 Short term **3-5** Long term
%

Short Term:
Prices for small parcel and office supplies are expected to be stable due to our contracted price protections. Large increases are looming from paper and toner manufacturers.

Long Term:
Prices for the administrative bundle are expected to increase due to potential import costs and a reduction in supply, such as Sylvamo exiting the paper market.

RECOMMENDATIONS

- Consider reviewing sustainability measures to reduce printed materials.
- Consider optimizing shipping modes and buying core items from contracted suppliers to help reduce costs or mitigate increases.

Avendra Field Advice

» FedEx provides some of the most competitive shipping discounts available. To consistently take advantage of these savings, provide your FedEx account number to vendors for collect billing for any incoming shipments they charge you for. You may also ask suppliers to save your account number on file to apply it to all future shipments, including Ground Service, sent to your property.

Eduardo Chutney
Manager, Field Support
& Customer Relations





HIGH-LEVEL INFLATION OVERVIEW:

Non-Food

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Maintenance, Repair & Operations (MRO)

3-20 Short term **3-6** Long term
%

HVAC Units

Short Term:

VTAC Units: No change anticipated from Avendra's contracted supplier.

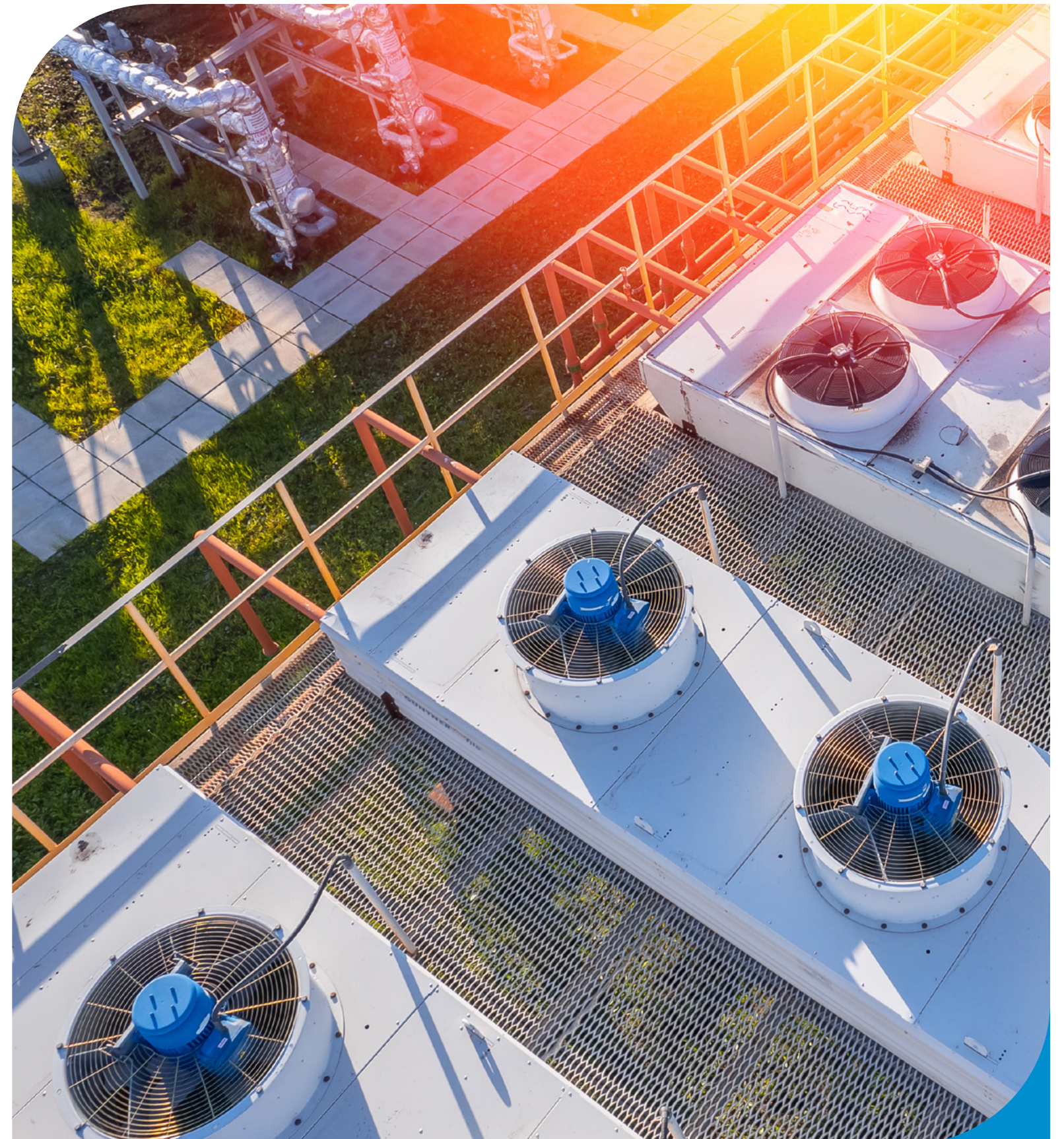
PTAC Units: Significant increases of 3%–20% are expected due to new refrigerant transition mandates (e.g., R-410A to lower-GWP alternatives, and restrictions on A2L) as well as tariffs on both raw material costs (aluminum, steel, copper, etc.) and manufacturing countries of origin.

Long Term:

Increases of 3%–6% are expected due to inflationary cost pressures. However, we anticipate that costs may flatten due to supplier adjustments to volatile material costs and tariffs throughout 2025.

RECOMMENDATION

- Utilize Avendra's direct manufacturing contract for higher-end units and core lists from Avendra MRO distributors for a variety of PTAC brands, inclusive of economy brands. Also, consider the total cost of ownership when comparing brands.





HIGH-LEVEL INFLATION OVERVIEW: Non-Food

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Maintenance, Repair & Operations (MRO)

3-20 Short term **3-6** Long term
%

Plumbing

Short Term:

Increases of 5%–15% are expected due to the tight labor market and increasing adoption of smart technologies (flush valves, Smart toilets, etc.). Costs are largely affected by rising material costs for raw materials (steel, copper, etc.) and critical components, largely driven by tariffs.

Long Term:

Moderate increases of 3%–5% are expected due to the same factors impacting pricing in the short term. There is potential for costs to flatten depending on the cost of raw materials in 2026.

RECOMMENDATION

- Utilize the core lists from our MRO distributors wherever possible for plumbing-related items.

Electrical

Short Term:

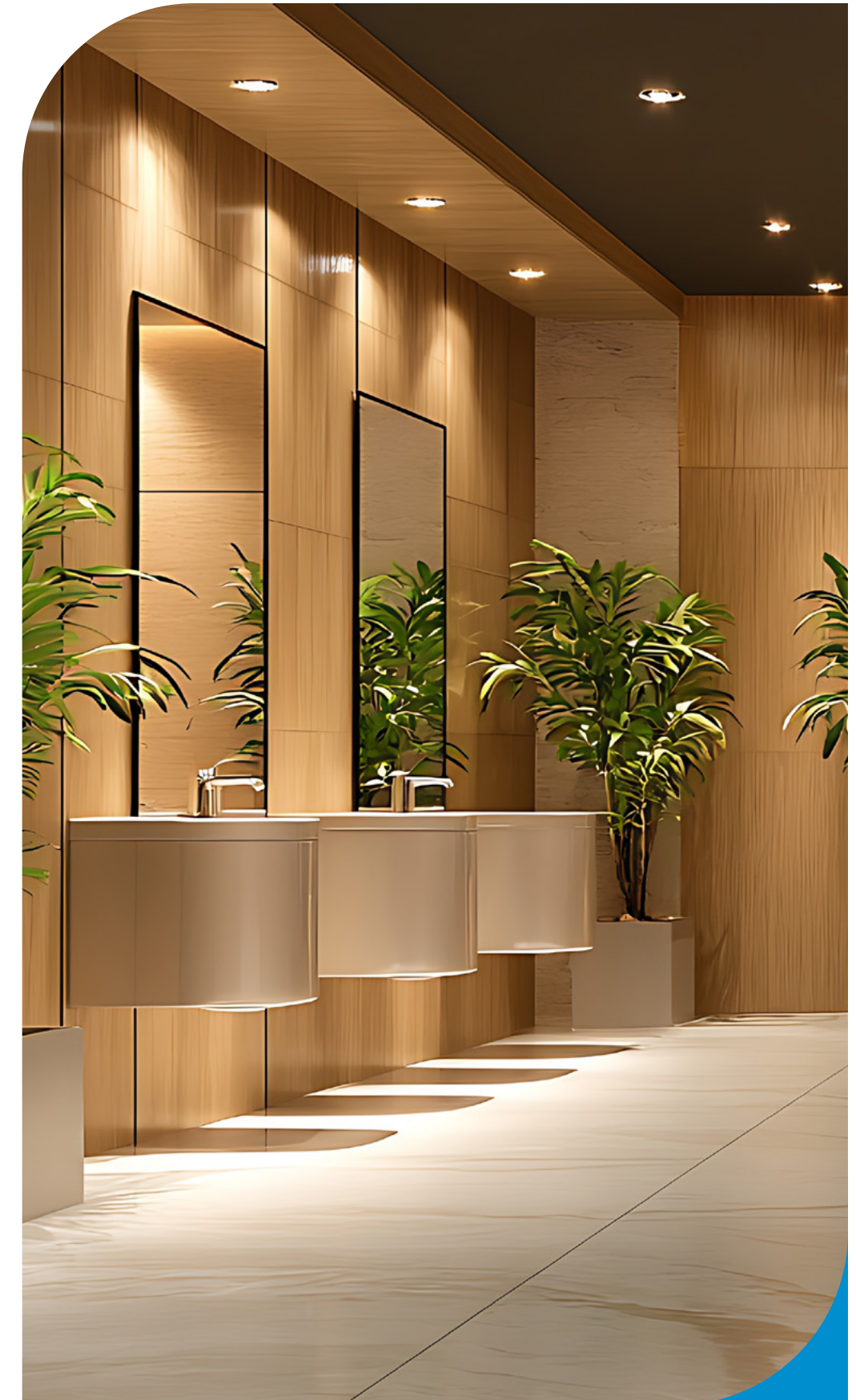
Increases of 5%–15% are expected due to surging demand for electrical and electronic components across various sectors, including lighting, power distribution, automotive (especially EVs) and industrial automation. Tariffs are increasing the cost of electrical components throughout 2025.

Long Term:

A moderate rise of 3%–6% is anticipated due to the increasing complexity of industrial processes requiring ongoing maintenance, fluctuating component pricing, and growth in EV infrastructure.

RECOMMENDATION

- Utilize our dedicated electrical distributors as well as Avendra-negotiated manufacturer contracts through MRO distribution.





F & B COMMODITY PRICE PROJECTIONS

Short term refers to the expectation for the remainder of 2025 relative to current prices.
Long term refers to the expectation for calendar year 2026 (through July) relative to current prices.

Commodity	Our expectation is...	
Beef (ground beef/ burgers)	3%-5% ▲	Short Term: Demand and raw material availability are currently driving pricing. Lean-trim products have tight availability, causing record-high costs, and fat-trim product costs are lower than the five-year average based on demand and higher cattle weights. It is difficult to determine exact numbers/percentages for pricing expectations as markets are volatile. Customers are encouraged to consider other center-of-plate proteins. Read more about why beef costs remain elevated.
	3%-5% ▲	Long Term: Expect that lean-trim cost will remain steady or increase based on tight supply, and fat trim will follow seasonal trends. Volatility is expected to continue. Customers are encouraged to consider other center-of-plate proteins as this continues.
Beef (ribeye, tenderloin, striploin)	0%-3% ▲	Short Term: Expect prices to remain relatively elevated for the remainder of the year. Cattle are being held back from pastures, leading to limited supply as demand remains steady. Harvest constraints also contribute to a weaker supply as labor forces are being disrupted. With continued uncertainty of U.S. Immigration and Customs Enforcement raids, facility employees are choosing not to report to work across the industry, resulting in slower plant speeds/production. Supply is lower than the steadily climbing demand; therefore, pricing will follow the same trend (steadily climbing).
	3%-5% ▲	Long Term: Expect prices to remain steady or increase YoY. As demand remains steady, supply has weakened due to labor constraints on the production side in conjunction with lowered supply due to cattle being held back from pasture to increase future stock. Supply is as low as it has been since the 1970s and the population has drastically increased. Supply is significantly lower than steadily climbing demand.
Poultry	Breast Meat & Tenders 5%-8% ▼	Short Term: Demand remains high, enabling maintained elevated pricing; similarly, though, supply remains strong. Pricing for each category is expected to differ. Specific category potential variations are as follows: raw jumbo breast meat could fall as much as 5%–8% (following seasonal summer spikes), raw tenders could fall as much as 8% and raw wings and dark meat are fairly stable but could increase as much as 5%. Customers are encouraged to maintain a pulse on shifts in specific categories to remain competitive when it comes to price.
	Wings & Dark Meat 0%-5% ▲	
	Breast Meat & Tenders 8%-20% ▼	Long Term: Similarly to the short-term outlook, categories are expected to differ. Specific category potential variations in the longer term are as follows: jumbo breast meat could decrease as much as 15%–20% and raw tenders could decrease 8%–10%. On the opposite end, raw wings could increase as much as 15%–20% and raw dark meat is expected to be fairly stable but could increase as much as 5%. Customers are encouraged to maintain a pulse on shifts in specific categories to remain competitive when it comes to price.
	Wings & Dark Meat 5%-20% ▲	



F & B COMMODITY PRICE PROJECTIONS

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Commodity	Our expectation is...	
Pork	No Change	Short Term: Most pork cuts are expected to peak in July/August, moving 7%–10% higher from current levels before declining in Q4 by the same 7%–10% from mid-summer highs. Factors for the remainder of 2025 include lower pork volume in cold storage and uncertainty around corn prices and export business due to tariffs. Customers should continue to consider pork as a center-of-plate alternative to beef and chicken for value.
	4%-5% ▲	Long Term: Pricing is currently on track to generally follow seasonal trends, but with an overall 4%–5% lift projected across all cuts except pork trim (flat) vs FY25. There is uncertainty, though, considering pork exports and tariffs.
Pasteurized Crabmeat	No Change	Short Term: Currently, Avendra's contracted supplier has enough inventory in the U.S. that we do not expect any changes in pricing for the remainder of the year.
	0%-10% ▲	Long Term: Raw materials are steadily increasing overseas, creating higher pricing for replacement costs. Also, a 10% tariff is playing a role as replacements are needed. Crab demand is showing strong growth of 27% YoY, which contributes to supply challenges to keep up with demand.
Shrimp	5%-10% ▲	Short Term: The biggest factor in global trade remains the tariff uncertainty. Increases or decreases to this tariff could affect pricing accordingly. Like usual, we would also position purchasing based on country-specific values, and any country impacted by a higher tariff is likely to see less volume.
	5%-10% ▲	Long Term: Over the next six months, shrimp costs from India, Indonesia and Vietnam are expected to experience moderate increases driven primarily by rising feed costs, which have been climbing globally due to higher prices for grains like soy and wheat. Overall, farm-gate prices in these countries are likely to see a slight upward trend of around 5%–10%. Supply stability remains a key factor, with disease outbreaks and weather events — such as typhoons in Vietnam or flooding in Indonesia — posing risks to consistent production. These disruptions could temporarily tighten supply, pushing prices higher, especially if outbreaks lead to significant harvest declines. Additionally, global logistics challenges, including higher freight costs and container shortages, are expected to persist for the coming months, further elevating transportation expenses and influencing export prices from these regions.



F & B COMMODITY PRICE PROJECTIONS

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Commodity	Our expectation is...	
Farmed Salmon	2%-4% ▼	Short Term: Norway and Chile have strong inventories, which is expected to drive pricing downward heading into the fall months.
	2%-4% ▲	Long Term: Pricing is expected to remain steady over the next six months with slight increases expected in late 2025, barring any algae blooms, die-offs or tariff-like events.
Liquid and Further Processed Eggs	4%-12% ▼	Short Term: Typically, egg prices are driven by grain costs like corn and soybean meal. However, this year HPAI disrupted supply, forcing liquid and processed egg suppliers to buy from a more volatile open market, leading to sharp price increases. As HPAI cases decline and affected farms recover, we expect prices to drop significantly. Hard-cooked and pasteurized shell eggs are egg types that were most affected by HPAI, so these egg types could see higher price decreases if their volumes are able to recover. These price-change scenarios are dependent on HPAI, and therefore will not significantly affect the market.
	2%-3% ▲	Long Term: The long-term outlook for liquid and processed egg prices depends on the prevalence of HPAI. If outbreaks recur, supply losses and reliance on the open market could drive prices up. Without major disruptions, prices should remain relatively stable, following the more stable grain market.
Fluid Dairy	No Change	Short Term: Fluid milk prices are expected to remain relatively flat for the remainder of the year. Steady domestic demand, modest production growth and some pressure from global dairy markets are all factors in the projection.
	0%-1% ▼	Long Term: The USDA projects that U.S. fluid milk production will increase slightly in 2026, reaching about 228.2 billion pounds, up from 227.8 billion in 2025. This growth is expected to come from a larger dairy herd and modest gains in milk per cow. However, despite the production uptick, milk prices are forecast to dip only slightly. The all-milk price is expected to slightly decrease compared to 2025. This reflects expectations of strong demand absorbing the supply increase, but with some softening in overall price levels.



F & B COMMODITY PRICE PROJECTIONS

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Commodity	Our expectation is...	
Cheese & Butter	1%-3% ▲	Short Term: Cheese and butter prices are expected to rise during the second half of 2025, which is typical for this time of year as foodservice and retail demand pick up for back-to-school and holiday prep.
	1%-2% ▼	Long Term: Cheese and butter prices in 2026 overall are expected to be about 1%–2% lower than 2025 averages, mainly due to more milk being available, which balances out demand. Prices will still follow seasonal trends. Longer-term estimates like these may change with market conditions.
Coffee	0%-6% ▲	Short Term: Prices are expected to increase 5%-20% (varies by supplier/tier/blend) due to the coffee futures market surge to 47-year highs in November. The continued market increase is a result of prolonged dry weather in Brazil, EU deforestation-free regulation postponement, macroeconomic factors, as well as significant speculator/funds trader activity. A \$.50 per pound price increase translates to \$.25 per 1.5 Gallon brew, or about .015% increase per 12 oz cup with a 10 oz fill. Consider brewing smaller batches to reduce waste and increasing prices to guests to cover the increase.
	0%-5% ▼	Long Term: The coffee futures market is projected to further decline in 2026 as a result of ideal weather in Brazil impacting crop projections, expected decline in worldwide consumption due to record-high prices and growing certified stocks. Without major macroeconomic disruptions, the coffee market should stabilize. The National Coffee Association is actively seeking an exemption from U.S. tariffs on coffee imports; however, at this time, tariffs on green coffee, as well as coffee roasted outside of the U.S., are being imposed. Avendra pricing is expected to decline by up to 5% through July 2026.
Cooking Oil	7%-10% ▲	Short Term: Pricing for cooking oil will depend heavily on whether the recent biofuel proposal by the current administration is confirmed in the Senate. The administration has proposed policies that support U.S.-based biofuel producers by restricting credits for foreign feedstock as well as increasing the mandate on how much biofuel to produce. The increase in demand for the biofuel industry will reduce the supply of soybean oils used in our cooking oil. Other factors contributing to higher prices include tighter soybean oil stocks and the recent conflict between Israel and Iran.
	0%-4% ▲	Long Term: The long-term outlook for cooking oil will depend on biofuel policy developments, soybean oil harvests and planting conditions in South America and the U.S., as well as how the conflict in the Middle East develops.



F & B COMMODITY PRICE PROJECTIONS

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Commodity	Our expectation is...	
Baked Goods	3%-5% ▲	Short Term: Chocolate prices remain elevated due to the failed harvest last season, which limited the cocoa bean supply. The rising cost of eggs led to price increases, though we expect a decrease as prices begin to drop. World wheat remains volatile due to the war in Ukraine, though it has been unchanged over the last several months. Domestic wheat and sugar prices are flat.
	2%-4% ▲	Long Term: Chocolate prices will remain high through 2026 due to the long growing season and limited supply this year. We do not anticipate any major changes to domestic wheat and sugar prices. Pricing will remain flat to slightly increased. Additionally, any imported products may be subject to tariff increases, depending on the country of origin.
Produce	1%-3% ▲	Short Term: The Salinas season has increased insect pressure due to heat. There are concerns that we could see gaps closer to the fall transition. Potato supply is expected to be short as last year's crop was down 5% from the prior year; larger sizes will trend higher in price. California peach production is forecast to increase slightly, indicating some recovery in stone fruit yields. California shippers are concerned about increasing costs of wood and plastic inputs into processing and packaging.
	1%-3% ▲	Long Term: Vegetables: U.S. vegetable production is expected to remain stable or slightly increased through mid-2026, driven by expansion in greenhouse and controlled-environment agriculture and continued growth in organic vegetable demand. Challenges from water scarcity in the West and labor shortages may limit gains. Fruits: Citrus production will likely remain low due to persistent citrus greening disease and climate-related disruptions in Florida and California. Non-Citrus Fruits: Apple, berry and stone fruit yields are expected to improve slightly, especially in the Pacific Northwest, assuming favorable weather patterns.

THE BEEF PRICE PLATEAU: What's Driving It and How to Stay Ahead



Insights in this 2026 Cost Outlook article were provided by commodity experts at Cargill, Avendra's trusted beef supplier.



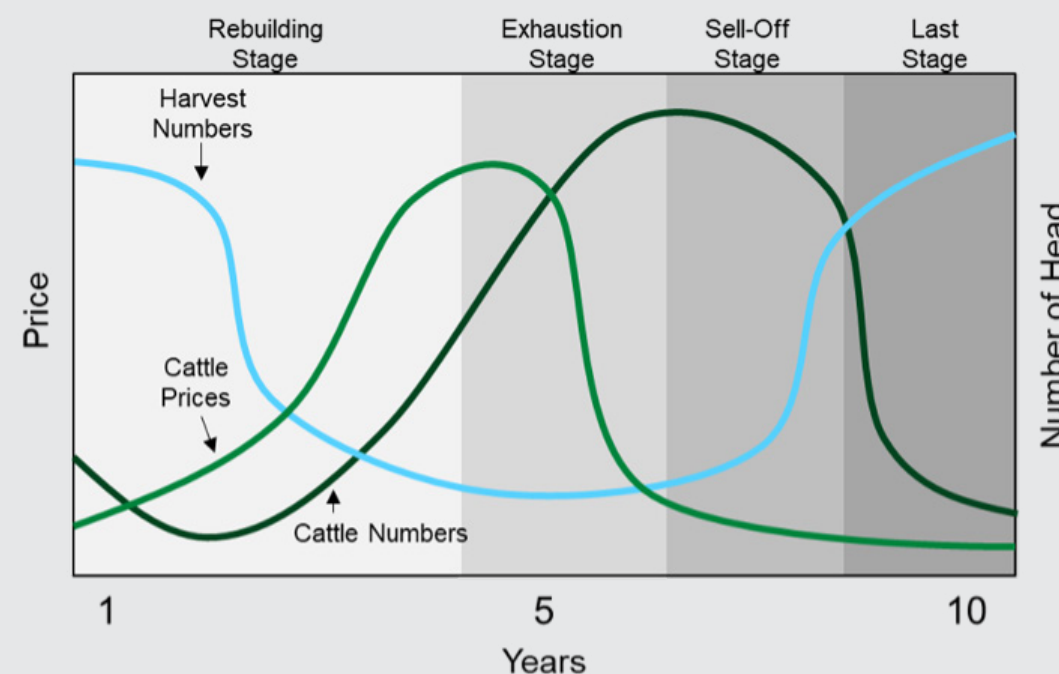
The beef industry goes through periods of contraction and expansion, approximately every 7-10 years.

Beef prices remain high and will likely remain that way for the foreseeable future. The primary driver is a historically low cattle inventory in the United States. At the same time, consumer demand remains strong, with no signs of slowing down as younger generations look to consume even more protein.

To rebuild their herds, farmers and ranchers have started retaining heifers for breeding rather than sending them to market. While this is necessary to increase future cattle supply, it further reduces the number of cattle going to market in the short term. The rebuilding process is lengthy, as a retained heifer must mature, go through gestation, raise her calf, and then wait for that calf to grow to market weight. This process takes roughly 1,000 days, meaning we are just at the beginning of a 2- to 3-year supply recovery.

Additionally, widespread drought conditions across the United States over recent years have reduced the amount of quality grazing land that is suitable for cattle, delaying the herd rebuild. To help offset this, imports are at a record high, bringing in cattle, muscle cuts and trim from countries like Canada and Australia. However, the imports won't be enough to offset the reduction in domestic supply.

The cattle market goes through this cycle every 10 years. As we approach the rebuilding phase, supply is expected to tighten further, pushing prices even higher over the next 2-3 years. Eventually, as herds are replenished and cattle supply increases, prices should begin to stabilize and decline.



While beef prices have plateaued at higher levels, there are still strategies you can use to minimize the impact on your operations. Below are our **Top Five Strategies for Managing Beef Costs Without Compromising on Quality or Customer Satisfaction:**

1. **Consider positioning underused cuts** as chef-inspired offerings with excellent flavor and versatility at a lower cost to you:
 - **Chuck Eye Steaks** – flavorful alternatives to ribeye
 - **Sirloin Flap or Coulotte** – tender and ideal for grilling or slicing
 - **Teres Major** – great for medallions or stir-fry
 - **Beef Shank or Oxtail** – perfect for slow-cooked, rich dishes
2. **Highlight beef in smaller portions** or as part of mixed-protein dishes, for example, beef and shrimp skewers.
3. **Consider alternative fabrication methods** such as offering a Manhattan cut from a striploin. This allows you to optimize yield by offering a center-of-the-plate presence that maintains portion control, while also managing costs and aligning with consumer trends of luxurious, yet portion-conscious dishes.
4. **Use beef to enhance other center-of-the-plate dishes**, including bowls, tacos or pasta.
5. **Take advantage of trim and ground beef** by looking to custom blends that elevate burgers or meatballs. Consider a brisket/chuck or sirloin/short rib blend for great flavor and savings. ■

Avendra News & Expertise



Avendra Goes the Distance to Source Shrimp You Can Trust

Avendra's hands-on approach — from vetting the right raw material, through manufacturing and distribution — ensures our customers receive the best quality at the best price. [Read here](#) to learn about Strategic Sourcing Manager, Heather Yee's recent trip to Vietnam shrimp factories to ensure we build effective, trusting relationships in every stage of the supply chain.

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