

Future-proofing your procurement process

A checklist for F&B manufacturers

In the Food and Beverage industry, while consumer demand remains consistently high, the primary hurdles lie in managing supply. Procurement professionals in F&B grapple with inflation and supply chain disruptions, requiring them to carefully budget category spend under pressure to meet allocated budgets. On top of that, as price-takers, procurement teams often struggle when suppliers lack transparency, making it difficult to justify cost increases and implement effective cost management strategies.

Having the right insights on raw material prices and trends is key to making informed procurement decisions and gaining an edge in the industry. The following checklist aims to help you create effective procurement strategies.

01

Do you have access to real-time price data to inform your purchasing decisions?



Price volatility is nothing new for procurement, but it can strain material management processes and make it difficult to accurately budget category spend.

Having access to updated pricing information informs you of pricing fluctuations, allowing you to make informed decisions, adapt your procurement strategies proactively and improve contract negotiations. You will be able to understand and anticipate changing costs and better manage supplier relationships.

02

Can your sourcing strategy withstand major disruptions from suppliers?



Overreliance on a single supplier can spell disaster if that supplier encounters issues. What measures do you have in place to manage and minimize supply chain risks?

With a diverse network of suppliers, alongside other risk management strategies, you can enhance the resilience of your supply chain and prevent unexpected outages.

03

What strategies do you have in place to ensure continuity in supply?



With supply chain disruptions becoming increasingly frequent, your business faces the risk of escalating costs and inventory loss.

Stay informed about prevalent market themes and disruptors and monitor supply chain continuity by assessing inventory levels, weeks of supply and operating rates. Enable effective inventory management by gaining transparency into supplier capacity and industry inventory levels.

04

How are you adapting to the impact of inflation on raw materials?



Procurement professionals are facing a significant challenge in managing inflation, striving to maintain profit margins while ensuring affordability for their customers.

By leveraging industry data sets, you can effectively compare cost inflation against industry benchmarks, ensuring optimal pricing for your supplies. This visibility also enables you to evaluate suppliers based on transparent production cost details, facilitating informed decision-making.

05

How well do you understand your suppliers' cost structures?



How do you know if your suppliers are overcharging you? Are their prices the industry standard?

With reliable price data and a firm grasp on market dynamics, F&B players will be able to compare cost inflation against industry standards. A better understanding of costs also allows you to evaluate suppliers better, giving your organization the leverage to challenge the suppliers' price-increase logic or negotiate for price decreases.

06

Do you have visibility over packaging and raw materials markets for strategic planning?



Procurement professionals can minimize cost exposure and avoid costly errors when aligning with Fastmarkets benchmark prices. Furthermore, increased transparency over the prices, market dynamics and the regulatory environment can help the organization identify potential risks and vulnerabilities in the supply chain, allowing for more effective scenario planning.

By utilizing Fastmarkets' forecasts and insights, you streamline the laborious task of researching price and supply, empowering you to focus on more strategic tasks. At the same time, you transfer the risk of liability from your own internal forecasts to an external source.

07

Are your current suppliers aligned with sustainable practices?



Do your suppliers embrace eco-friendly practices? Are you implementing sustainable production methods and responsible sourcing?

As the pressure to adhere to sustainable practices mounts, F&B industry players must keep costs in check while sourcing for more sustainable materials. It's crucial to keep up with the latest packaging and sustainability trends in order to identify long-term suppliers that meet your goals, such as moving away from plastic or packaging reduction.

Looking to fill the gaps?

Fastmarkets has more than 100 years of experience in analyzing and pricing commodity markets, allowing us to provide you with the data and expert analysis you need to assess the F&B manufacturing market effectively.

FMCG manufacturers, including the F&B sector, have long relied on Fastmarkets' FMCG suite to inform their procurement strategies and achieve desirable outcomes in negotiations with suppliers, spanning agriculture, forest products and metals and mining markets. Explore:

Price data	✓ Global price coverage for pulp, paper, packaging and agricultural commodities including several low-carbon commodities
Short-term forecasts	✓ Two-year forecasts for paper packaging, recovered paper, pulp, nonwovens, wood products, aluminum and agricultural commodities
Long-term forecasts	✓ Five- and fifteen-year forecasts for paper packaging, pulp, wood products, aluminum and agricultural commodities
Fastmarkets dashboard	✓ Personalized view of markets most relevant to you through our fully customizable dashboard, with an easy-to-understand view of price data, price trends and news

Why choose Fastmarkets?



Trusted data

Price data is market-reflective and backed by IOSCO-compliant methodologies



Expert analysis

Gain access to experts, from price reporters on the ground in key markets to analysts researching shifting market dynamics



Extensive coverage

We assess over 5,500 prices on a daily to weekly basis covering key materials like pulp, recovered paper, carton board, vegetable oils and meals and many more



Asset analysis

Cost and performance benchmarking covering more than 4,500 companies and 16,500 projects

Secure your raw materials supply today.

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