

REPORTS

CONSUMER TRENDS

RESTAURANT FINANCE

Conversely, grocery prices fell for the first time in months driven by lower egg prices



Alicia Kelso, Executive editor

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Menu prices ticked up for a third straight month in April PEXELS / JAMES COLLINGTON

The Consumer Price Index rose on a seasonally adjusted basis of 0.2% in April, equating to a 12-month inflation rate of 2.3%, [according to federal data released Tuesday morning](#). These numbers were lower than forecasts, and 2.3% marks the lowest inflationary level since February 2021.

The overall index for food fell 0.1%, putting food prices 2.8% higher versus last year. Food at home (grocery/supermarket) inflation is at 2% after falling 0.4% during the month. Conversely, menu price inflation is up to 3.9% [after rising 0.4% in April](#), matching the same increases in March and February and outpacing the fourth quarter average of 0.26%.

Lower grocery prices were driven in large part by a 12.7% monthly decline in egg prices, though they remain up about 50% versus last year.

Meanwhile, menu prices were driven largely by full-service meals, which rose 0.6% over the month, matching April's trendline, and 4.3% on the year, up from 4.1% in April. The index for limited-service meals rose 0.3% during the month, versus a 0.2% uptick in April, and are up 3.4% versus last year.

April marked the 25th month in a row in which restaurant pricing outpaced grocery/supermarket pricing, with the gap between the categories widening since March. This schism is largely cited for muted traffic in the restaurant industry. According to new data from Revenue Management Solutions, domestic QSR traffic declined [by 1.7% year-over-year in April](#). An RMS Q1 survey found that 40% of U.S. diners said they spend less of their disposable

Related: [Menu prices increased in April for the third month in a row](#)

“Today’s CPI Report brought news of rising inflation — a reminder that cost pressures on restaurants haven’t gone away. For the third month in a row, food away from home costs increased 0.4%,” said Joe Hannon, general manager of inventory and purchasing at Restaurant365. “Rather than signaling a return to stability, the increase suggests that unpredictability remains the norm — making it more important than ever to fine-tune pricing, monitor spending, and reinforce value in the guest experience.”

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About the Author



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Alicia Kelso is the executive editor of Nation's Restaurant News. She began covering the restaurant industry in 2010 for QSRweb.com, FastCasual.com and PizzaMarketplace.com. When her son was born, she left the industry to pursue a role in higher education, but swiftly returned after realizing how muc...

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