

# tariffs, margin risk, & pricing control in food manufacturing

what 400 senior executives reveal  
about pricing heading into 2026

## executive summary

Tariff pressure is no longer an episodic disruption for food manufacturers. It is one force among many, alongside commodities, freight, labor, packaging, and regulatory costs that now move continuously. At the same time, pricing remains constrained by customer and channel agreements that are slow to respond. The result is a widening gap between cost reality and pricing execution, with direct implications for margin durability and EBITDA predictability.

In this environment, pricing is no longer judged by whether increases are executed. It is judged by whether executives can anticipate margin risk before it reaches the P&L, defend pricing decisions across customers and channels, and maintain confidence with boards and investors despite ongoing volatility.

This report is grounded in a quantitative survey of 400 senior executives including CEOs, CFOs, and CROs from U.S.-based organizations with more than \$250 million in annual revenue. While the survey spans multiple industries, the findings closely mirror food manufacturing realities, where high SKU complexity, channel-driven pricing environments, and negotiated pricing structures amplify the impact of cost volatility and tariffs.

Viewed through this operating context, the data points to a clear conclusion: pricing has become a board-level control lever, central to risk management, valuation confidence, and long-term profitability.



# introduction

## pricing volatility becomes structural

For food manufacturers, pricing volatility is no longer tied to discrete events such as COVID-era disruptions or isolated tariff changes. Instead, volatility has become structural.

Survey data shows that **43% of executives report macroeconomic factors significantly or severely impacting pricing over the past 12 months**, while **56% adjusted prices at least quarterly** to remain aligned with changing conditions. These dynamics mirror the realities of food manufacturing, where ingredient costs, freight, and labor rarely move in isolation.

In this environment, pricing is no longer an operational task delegated to teams and tools. It is a strategic discipline that determines EBITDA predictability and management credibility.

This report examines how senior leaders are responding to tariff-driven cost pressure. It also highlights what separates organizations that protect margin from those where leakage persists across contracts, SKUs, and customer-specific deals.



## today's pricing pressures in food manufacturing

Volatile input costs

Unstable freight and packaging

Pricing that lags market reality

Rising expectations for margin discipline

# macroeconomic forces were already reshaping pricing

Even before tariffs escalated in importance, food manufacturers were operating under persistent macroeconomic strain. Inflation, supply chain instability, and labor shortages had already disrupted traditional pricing cadences.

## survey insights show

- Nearly half of executives report macroeconomic factors significantly impacting price levels
- More than half adjusted prices at least quarterly to keep pace with changing costs

→ For food manufacturers, frequent price changes are not the challenge. The challenge is executing those changes within contractual and channel constraints, and customer expectations without eroding trust or margin.

# 43%

Nearly half of executives report macroeconomic factors significantly impacting price levels

# 56%

More than half adjusted prices at least quarterly to keep pace with changing costs

# tariffs accelerate the shift from absorption to action

In 2026, tariffs are no longer treated as background noise. They are actively reshaping pricing strategy and supply decisions.

According to the survey

- 01 45% of executives cite tariff-related expenses - including direct tariffs and rising supplier costs - as their primary pricing challenge
- 02 44% plan to pass increased costs to customers
- 03 42% have already shifted suppliers or sourcing regions in response to tariff pressure

For food manufacturers, these data points reflect a growing unwillingness to absorb costs that permanently degrade margin. Instead, executives are reassessing how pricing models, contract terms, and execution speed affect long-term EBITDA health.

What has changed is not the presence of tariffs, but the tolerance for locking in bad economics through outdated contracts and slow pricing cycles.

# 45%

of executives cite tariff-related expenses - including direct tariffs and rising supplier costs - as their primary pricing challenge

# 44%

plan to pass increased costs to customers

# 42%

have already shifted suppliers or sourcing regions in response to tariff pressure

# competitive pressure meets contract reality

While tariffs are a major concern, competitive pricing pressure remains the most frequently cited challenge.

Survey results show

- 01 **33% of executives name competitive pricing as their top challenge**
- 02 **Looking ahead 12–24 months, “competitive price wars” (27%) and “tariff and trade uncertainty” (27%) are tied as the top concerns**

For food manufacturers operating across complex channels and key accounts, this combination is particularly acute. Pricing leaders must balance rising cost exposure with the risk of triggering volume loss or customer disruption.

Leading organizations are rejecting across-the-board price actions in favor of targeted, value-based pricing strategies applied at the SKU, customer, and channel level to protect margins without undermining competitive position.

# 33%

of executives name competitive pricing as their top challenge

# 54%

Looking ahead 12–24 months, “competitive price wars” (27%) and “tariff and trade uncertainty” (27%) are tied as the top concerns

# avoiding blunt increases

## precision over panic

The survey confirms a clear behavioral shift: businesses are moving away from blanket price increases. Executives report prioritizing targeted, value-based pricing strategies over across-the-board actions – a finding that strongly aligns with food manufacturing realities.

### in contract-heavy environments

- SKU proliferation masks underperforming products
- Averages hide margin leakage at the customer and contract level
- Uniform increases risk damaging key operator and distributor relationships

Precision pricing allows executives to isolate risk and opportunity by SKU, customer, and channel—ensuring pricing actions are defensible, explainable, and aligned to economic reality.



## common sources of margin leakage in food manufacturing

SKU complexity limits visibility into true performance

Aggregated pricing averages hide customer-level erosion

Uniform price actions increase relationship risk

# AI enables speed, not guesswork

One of the most striking survey findings is the widespread adoption of AI in pricing.

- 01 83% of executives report using AI-powered pricing tools
- 02 An additional 16% are actively exploring AI adoption
- 03 87% of respondents remain optimistic about maintaining profitability, even amid volatility

For food manufacturers, AI's value is not automation for its own sake. It is decision confidence at speed – enabling faster cost pass-through, scenario modeling, and margin visibility without destabilizing live pricing or violating contract constraints.

In volatile, contract-driven markets, speed without governance creates risk. AI-driven pricing enables executives to move quickly without sacrificing control or credibility.

→ AI adoption is likely a key driver of the 87% profitability optimism reported in the survey.

# 83%

of respondents are using AI-powered pricing solutions

# 16%

of respondents are exploring the use of AI-powered pricing solutions

# pricing moves to the C-suite

The survey makes clear that pricing ownership has shifted decisively upward.

- 01 98% of organizations have a designated pricing decision-maker
- 02 87% of Chief Commercial Officers and 68% of CEOs say they currently lead pricing decisions
- 03 56% believe pricing should ultimately be owned by the CEO

For food manufacturers, this reflects reality. Pricing outcomes directly shape EBITDA quality, valuation confidence, and board trust. Slow or opaque pricing decisions are no longer acceptable in environments defined by structural volatility.

Pricing has become a leadership responsibility  
– not an operational afterthought.

# 98%

of companies have a designated pricing decision-maker

# 87%

of CCOs and 68% of CEOs say they currently lead pricing decisions

# 56%

believe the CEO should own pricing as a strategic lever

# conclusion

## pricing as a leadership discipline

Pricing is no longer an operational task delegated to teams and tools. It is a leadership discipline that directly shapes margin durability, EBITDA quality, and executive credibility.

Tariffs have intensified an existing challenge for food manufacturers: managing margin risk in an agreement- and channel-driven market. But the deeper issue is not tariffs alone. It is fragmented pricing execution, limited visibility into realized economics, and slow decision cycles.

Organizations that continue to rely on spreadsheets, ERP workarounds, and disconnected processes face growing uncertainty at the executive level, friction between pricing, sales, and finance, and margin erosion that often goes unnoticed until it reaches the P&L.

For food manufacturers, disciplined pricing turns tariff pressure into advantage, enabling faster, more targeted cost responses that protect margin while delivering clearer, more consistent pricing to customers.

The path forward is clear. Executives who treat pricing as a strategic, governed discipline—supported by real-time intelligence and aligned across the enterprise—gain control. In 2026 and beyond, pricing leaders will not be defined by how often they raise prices, but by how confidently they can defend them.





## about zilliant

Zilliant delivers AI-driven pricing that gives B2B companies greater clarity, control, and profitability. By replacing spreadsheets with governed workflows and real-time intelligence, Zilliant helps organizations protect margin, accelerate decisions, and scale pricing maturity. From core price management to advanced optimization, Zilliant enables faster, smarter pricing that drives sustainable growth. Learn more at [zilliant.com](https://zilliant.com).