



A summary of key trends in
Food and Non-Food Retail prices

A summary of key pressures on
future prices

SHOP PRICE INDEX

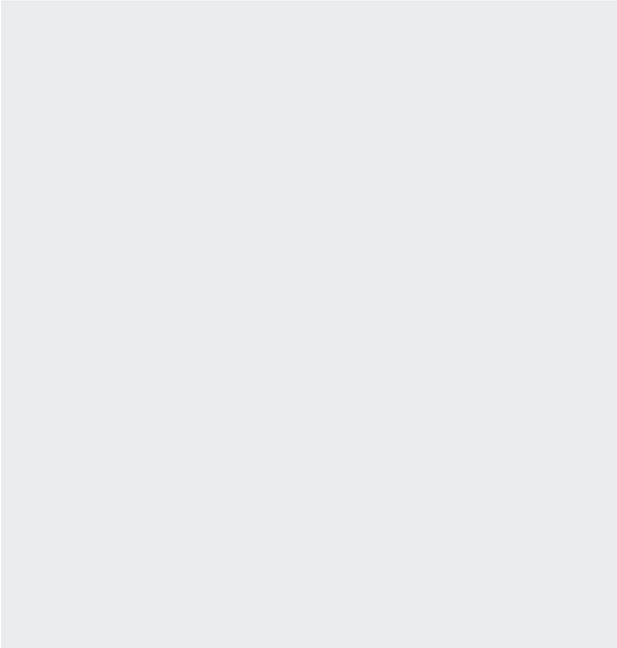
Period covered: 03-07 October 2022

Strictly embargoed until 0.01hrs, Wednesday 02 November 2022

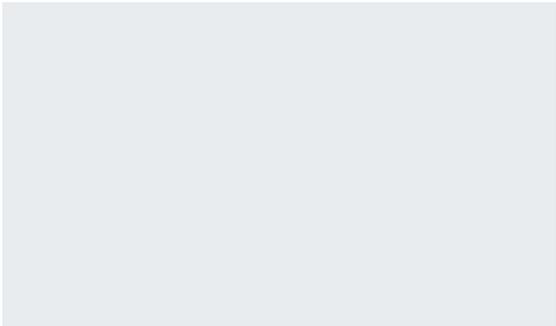
October 2022



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Headline commentary



“It has been a difficult month for consumers who not only faced an increase in their energy bills, but also a more expensive shopping basket. Prices were pushed up because of the significant input cost pressures faced by retailers due to rising commodity and energy prices and a tight labour market. Even the price of basic items went up, with the price of the humble cuppa rising, as tea bags, milk and sugar all saw significant rises. While some supply chain costs are beginning to fall, this is more than offset by the cost of energy, meaning a difficult time ahead for retailers and households alike.

With Christmas fast approaching, customers are looking for any sign of respite, but it is increasingly difficult for retailers to shoulder the ongoing supply chain pressures. The Government can support households by reducing the cost burden that prevents retailers from keeping prices down for their customers. Government must freeze business rates to prevent an additional £800m bill landing on the plates of retailers and in turn their customers in 2023.”

Helen Dickinson OBE | Chief Executive | British Retail Consortium



“External factors are keeping shop price inflation at record highs and the challenging economic conditions are significantly impacting consumer confidence and retail spend. With pressure growing on discretionary spend across both non-food and food retail, delivering good value is the table stake in the battle for shopper loyalty over the next 8 weeks.”

Mike Watkins | Head of Retailer and Business Insight | NielsenIQ

Executive Summary

The fastest monthly growth on record saw Shop Price Inflation rise to an annualised rate of 6.6%. Once more, food prices continued their strong rise, with monthly prices rising by 1.5%. This marks five months of prices rising above 1%. However, non-food prices also rose considerably on the month, with broad-based inflation setting in. Global commodity prices appear to have reached their peak, and more recently have been plateauing. However, inflation is expected to remain persistent into 2023 as input costs remain high. There is still much uncertainty as to the precise outcome of the Ukraine-Russia conflict as well as the continuation of China's zero-Covid policy, with the potential to cause further volatility in commodity markets and hence retail prices.

Further, we anticipate that inflation in retail prices will continue for the remainder of this year, and into 2023. As a result of ever-increasing operational costs, mainly within manufacturing and transport, inflation is set to linger.

All prices

Shop Price annual inflation accelerated to 6.6% in October, up from 5.7% in September. This is above the 3-month average rate of 5.8%. This marks another record for shop price inflation since this index started in 2005.

6.6%

% change year-on-year

Non-Food

Non-Food inflation accelerated to 4.1% in October, up from 3.3% in September. This is above the 3-month average rate of 3.4%. Inflation remains rose to a fresh series' high in this category.

4.1%

% change year-on-year

Food

Food inflation accelerated strongly to 11.6% in October, up from 10.6% in September. This is above the 3-month average rate of 10.5%. This is the highest inflation rate in the food category on record.

11.6%

% change year-on-year

Fresh

Fresh Food inflation strongly accelerated in October to 13.3%, up from 12.1% in September. This is above the 3-month average rate of 12.0%. This is the highest inflation rate in the fresh food category on record.

13.3%

% change year-on-year

Ambient

Ambient Food inflation accelerated to 9.4% in October, up from 8.6% in September. This is above the 3-month average rate of 8.6%. This is the fastest rate of increase in the ambient food category on record.

9.4%

% change year-on-year

% Change	Overall SPI		Food		Non-Food	
	On last year	On last month	On last year	On last month	On last year	On last month
Oct-22	6.6	1.3	11.6	1.5	4.1	1.2
Sep-22	5.7	0.7	10.6	1.3	3.3	0.4

INFLATION GROWS AT FASTEST MONTHLY RATE

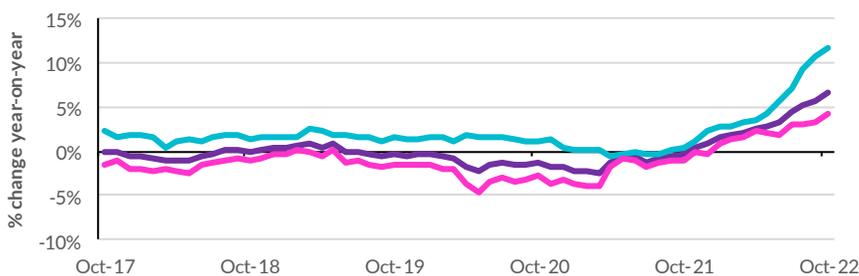
Shop Price Inflation registered another record high in October, hitting 6.6%, following the strongest recorded monthly rise since records started in 2005. Food price inflation was again the main driving force behind the increase this month, though non-food inflation also accelerated considerably on the month. High food inflation is being reflected in both fresh and ambient food products. The energy price shock following the Ukraine-Russia conflict has pushed producer input costs up rapidly with the pass-through being seen in shops.

Shop prices have been rising for almost 12 months now, and have set fresh records for four months running. Global commodity prices are, however, now plateauing if not falling though remain elevated relative to pre-pandemic levels. Input costs continue their rise for businesses across the world, particularly energy, metals and food. Given the lag between global and domestic retail prices, easing commodity price pressure will only start to reduce inflation in 2023H2.

Supply-chain issues continued to ease, with the Global Supply Chain Pressure Index trending downwards. Shipments of grain exports from the Black Sea have started to pick up though risks abound in Russian policy going forward. Price pressures are expected to remain within the global economic system in the near-term, especially alongside a weakening pound.

Shipping costs have fallen rapidly over the last few months, not far off pre-pandemic levels. Ahead, shipping costs are expected to remain higher than pre-pandemic averages in the near-term, though land transport costs are expected to eclipse travel by sea in the coming months.

FOOD VS NON-FOOD



Source: BRC-NielsenIQ

Highest rise in Shop Prices since the series began



% Change	Overall SPI		Food		Non-Food	
	On last year	On last month	On last year	On last month	On last year	On last month
Oct-22	6.6	1.3	11.6	1.5	4.1	1.2
Sep-22	5.7	0.7	10.6	1.3	3.3	0.4

OIL PRICES RISING, WHOLESAL GAS DOWN

High energy costs have had implications for fertiliser prices, with prices close to tripling over the past year. Natural gas is a direct input in the production of fertiliser, and has driven up the costs incurred by farmers, leaving them with the dilemma of buying less fertiliser or raising prices, ultimately resulting in reduced output levels. This has been compounded by bottlenecks in supply and lower energy imports than usual.

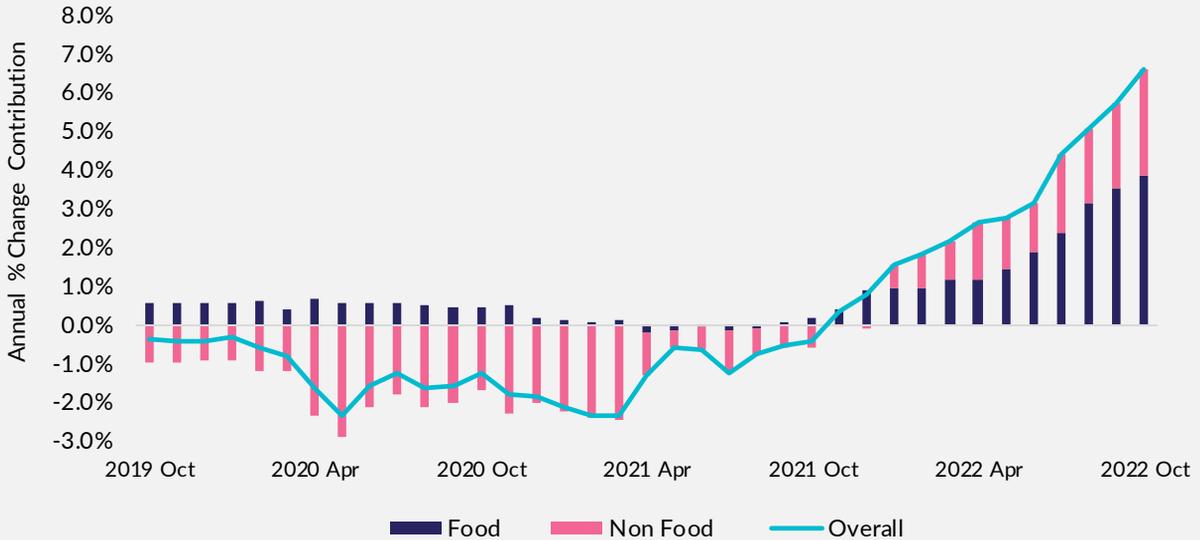
Increasing gas and oil prices affect almost every industry down the supply-chain, albeit to varying degrees. From increased production costs to prices paid for transportation, energy is required at every stage of the process, which in turn increases price inflation for products and increases the cost base of firms.

Non-Food prices have also been affected by these factors, to varying degrees across product categories, with inflation accelerating in the most recent reporting period. Price inflation on the month accelerated above a percent, with DIY, Gardening & Hardware, Furniture and Flooring as well as Health & Beauty products being the main drivers.

Global oil prices have started to rise again, towards \$92 /bl by the end of October, with supply-constraints in the market now binding. Wholesale gas prices remain volatile, however a more mild Autumn than expected has meant subdued demand. Ahead, with the Nordstream 1 pipeline out of commission, this will place upwards pressure on prices. Increased imports of liquefied natural gas (LNG) from alternative suppliers such as the US and Algeria will help mainland Europe plug the gap in supply left by Russia, though energy prices for manufacturers and transporters are not likely to come down meaningfully until 2023H2, generating upward pressure on Non-Food prices.

To limit the effects of the current geopolitical turmoil, efforts are being made to ease tight energy resource supply, by increasing output from other oil and gas producing nations. However, with fears of a looming recession, oil producers are stepping back and bringing down production levels. Despite constraining supply, prices are expected to trend further downwards as the world's major economies enter a period of economic contraction.

SHOP PRICE INFLATION ANNUAL % CHANGE, FOOD AND NON-FOOD CONTRIBUTION



Source: BRC-NielsenIQ

FOOD & NON-FOOD

Food inflation increased in October to 11.6%. This is well above the 12- and 6-month average price growth rates of 5.4% and 8.1%, respectively. This represents a record-high for the food price series, registering double-digit growth.

Non-Food inflation accelerated to 4.1% in October, up from 3.3% in September. This remains above both the 12- and 6-month average price changes of 1.9% and 2.9%, respectively. This was also a record-high for the non-food price series.

Food

11.6%

October, YOY change

Non-Food

4.1%

October, YOY change

% Change	Food		Fresh		Ambient	
	On last year	On last month	On last year	On last month	On last year	On last month
Oct-22	11.6	1.5	13.3	1.6	9.4	1.3
Sep-22	10.6	1.3	12.1	1.6	8.6	0.9

FRESH FOOD

Fresh Food inflation accelerated in October to 13.3%, up from 12.1% in September. This is above the 12- and 6-month average price growth rates of 6.0% and 9.1%, respectively. Monthly fresh food prices continued to grow at a very swift pace, at 1.6%.

October UK Dairy wholesale prices (See Chart) saw significant annual increases for all categories, with prices of Bulk Cream rising by 51%, Butter by 75%, Mild Cheddar by 50% and Skim Milk Powder by 28%. In monthly terms, prices fell or were flat for all categories.

AMBIENT FOOD

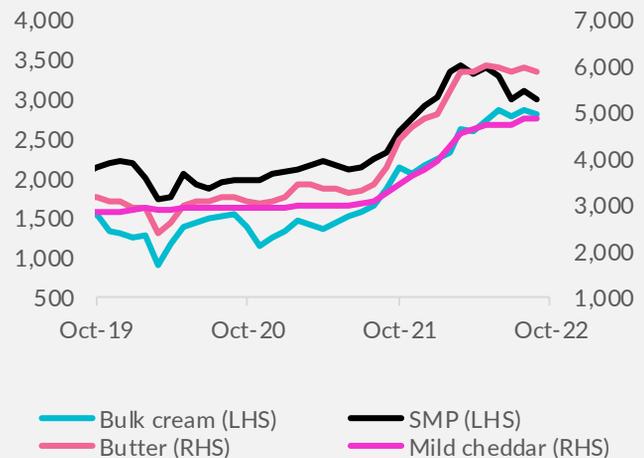
Ambient Food inflation accelerated to 9.4% in October up from 8.6% in September. This is the highest rate of inflation for the category on record. This is above the 12- and 6-month average price increases of 4.5% and 6.7%, respectively. Monthly prices increased by 1.3%.

UK WHOLESALE DAIRY PRICES, OCTOBER 2022

	Bulk cream	Butter	Skim Milk Powder	Mild cheddar
YoY	51%	55%	28%	50%
MoM	-2%	-2%	-4%	0%

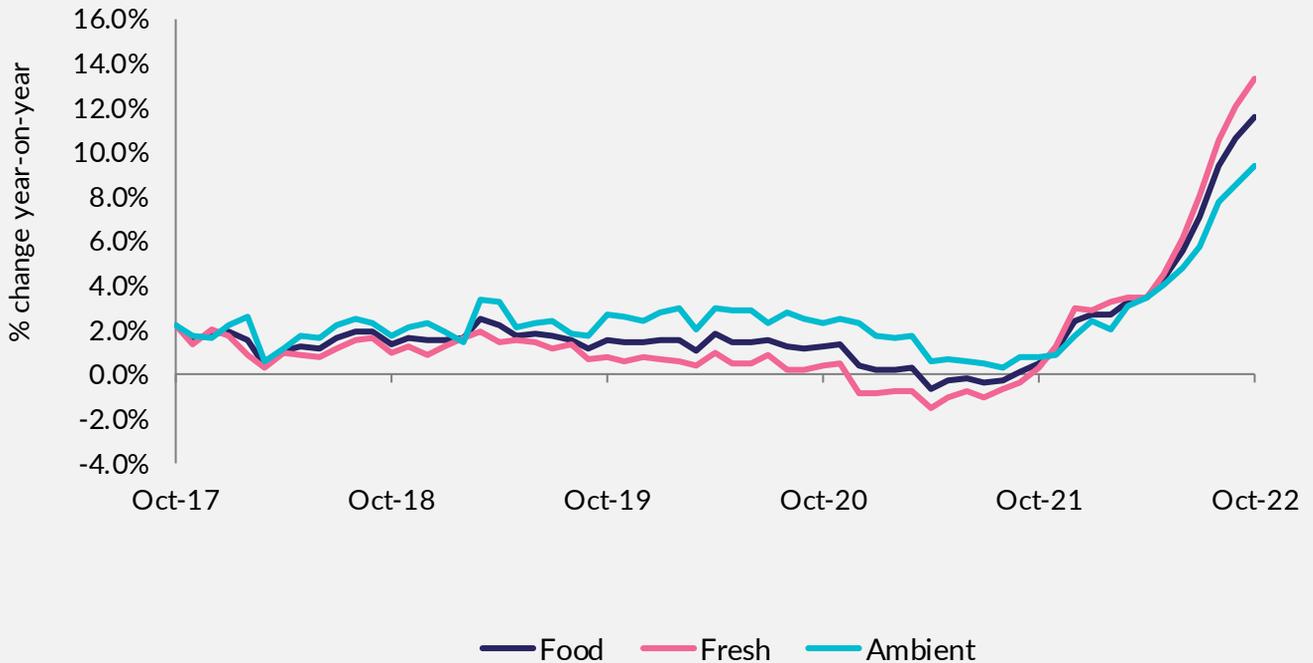
Source: Agricultural & Horticulture Development Board Dairy.

UK WHOLESALE DAIRY PRICES, OCTOBER 2022



Source: Agricultural & Horticulture Development Board Dairy, £/tonne.

FOOD INFLATION



UK PRODUCE PRICES

Yearly price changes of home-grown produce continued to display a significant degree of dispersion in October.

Changes in Vegetable prices varied. The largest price decline was 28% for cherry tomatoes, and the largest price rise was 133% for courgettes.

Fruit inflation varied also, with red currants showing the highest increase at 157% and apples showing the largest price decline at 16%.

WHOLESALE PRODUCE BOTTOM-5/TOP-5 PRICE CHANGES, OCTOBER 2022, YOY

Gladioli	-41%
Cherry Tomatoes	-28%
Apples	-16%
Sweetcorn	-14%
Pears	-13%
Spring Greens	77%
Coriander	82%
Cauliflower	104%
Courgettes	133%
Red currants	157%

	OCT-22		SEP-22	
	On last year	On last month	On last year	On last month
Clothing & Footwear	-2.1	0.7	-1.8	-0.1
Electricals	0.0	0.5	-1.2	-0.7
Health & Beauty	3.1	0.5	3.1	1.1
Other Non-Food	4.8	1.4	3.8	0.4
Books, Stationery & Home Entertainment	5.9	1.1	5.2	-0.6
Furniture & Floorcovering	7.5	1.7	5.6	0.8
DIY, Gardening & Hardware	8.0	1.4	6.8	0.6
Total Non-Food	4.1	1.2	3.3	0.4

NON-FOOD

Non-Food inflation accelerated to 4.1% in October, up from 3.3% in September. This is above the 12- and 6-month average price increases of 1.9% and 2.9%, respectively. Most non-food categories saw inflationary pressures sustained, remaining positive for five out of the seven categories in the index's basket of goods. On the month, Non-Food prices rose by 1.2%, with prices increasing in six out of the seven categories of the index.

Clothing & Footwear was the only category exhibiting signs of deflationary pressure in the Non-Food index with the pace of deflation accelerating slightly to -2.1% in October, compared to -1.8% in September. This is a resultingly slower pace of decline than the 12- and 6-month average price decreases of -3.9% and of -2.8%, respectively. Deflation accelerated further for **Women's Clothing and Accessories**. **Baby Clothing, Other Clothing and Footwear** are the only three clothing categories showing signs of inflation. Month-on-month, headline prices increased by 0.7%.

Electricals prices were flat over the previous year, in October, no longer showing signs of deflation. This is above the 12- and 6-month average price increases of -0.2% and -0.5%, respectively. Annual inflation for **Household Appliances** spiked though **Audio-Visual Equipment** continued to experience deflation. Month-on-month, headline prices increased by 0.5%.

Health & Beauty inflation remained unchanged at 3.1% in October. This is above the 12- and 6-month average price growth rates of 2.2% and 2.6%, respectively. This is the swiftest pace of inflation for this category on record. Inflation for **Toiletries & Cosmetics** decelerated though for **Personal Care** it accelerated. Month-on-month, headline prices increased by 0.5%.

	OCT-22		SEP-22	
	On last year	On last month	On last year	On last month
Clothing & Footwear	-2.1	0.7	-1.8	-0.1
Electricals	0.0	0.5	-1.2	-0.7
Health & Beauty	3.1	0.5	3.1	1.1
Other Non-Food	4.8	1.4	3.8	0.4
Books, Stationery & Home Entertainment	5.9	1.1	5.2	-0.6
Furniture & Floorcovering	7.5	1.7	5.6	0.8
DIY, Gardening & Hardware	8.0	1.4	6.8	0.6
Total Non-Food	4.1	1.2	3.3	0.4

NON-FOOD (cont.)

Other Non-Food inflation accelerated to 4.8% in October up from 3.8% in September. This is above the 12-month average of 2.9% and the 6-month average of 3.7%. Inflation for **Tobacco** and **Pet-related Products** both increased. **Non-Durable Household Goods** and **Tobacco** saw annualised inflation accelerate, as well as for **Personal Effects** and **Recreation & Sport**. Month-on-month, headline prices grew by 1.4%.

Books & Stationery prices increased by 5.9% in the 12 months to October. This is considerably higher than the 12-month average price increase of 2.7% and the 6-month average price growth rate of 4.3%. Yearly deflation decelerated in October for **Home Entertainment**. **Books & Newspapers** inflation accelerated while **Stationery** price growth also did. Month-on-month, headline prices increased by 1.1%.

Furniture inflation accelerated to 7.5% in October, up from 5.6% in September. This is well above the 12-month average price increase of 4.6% and in line with the 6-month average price increase of 6.0%. Inflation sharply accelerated for both **Furniture & Furnishings** and for **Household Textiles**. Month-on-month, headline prices rose 1.7%.

DIY & Gardening inflation increased to 8.0% in the 12 months to October, up from 6.8% in the preceding month. This is above the 12- and 6-month average price growth rates of 3.9% and 5.2%, respectively. **House & Garden** products' inflation increased with **Household Utensils**' prices also showing a significant increase. Month-on-month, headline prices increased by 1.4%.

UK Input & Output Inflation

September Output prices (those for goods leaving the factory) rose by 15.9% compared to the same point in 2021, down from 16.4% in August 2022.

Of the ten product groups, eight displayed upward contributions to the annual output inflation rate in September. Food products provided the largest upward contribution to the annual rate and had annual price growth of 14.8% in September 2022. This is the highest recorded rate since records began in 1997, with the increase mainly driven by preserved meat and meat products for the domestic market.

Tobacco and alcohol was the only product group to display a downward contribution to the annual rate, though it nonetheless did rise by 9.3% in the year to September 2022. It provided a downward contribution due to a change in the weight, as a result of methodological shifts by the ONS.

The largest upward contribution to the annual input inflation rate came from metals and non-metallic minerals, which contributed 4.0 percentage points of the overall 20.0% figure, exhibiting annual price growth of 18.9% in September 2022 following a monthly rise of 0.2%. Geopolitical tensions are seeing metals prices soar, with the subsequent rises being shouldered by factory gates, particularly in heavy industry.

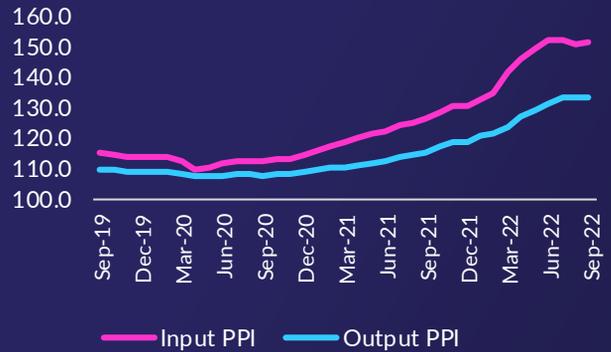
COMMODITY PRICE INDEX

Global Commodity prices gradually fell over the course of October, having peaked on the 9th of June. Since then, prices have steadily fallen by 16.7% from this most recent high point, according to the Thomson Reuters/Core Commodity CRB Index. Using the 3-month average of commodity prices to smooth out the volatility somewhat, prices were 6.1% lower than over the previous three months. Furthermore, prices remain significantly inflated from the same point last year, with an increase of 27.6%. Of the goods in the basket used to compute the index, 41% are agricultural, 39% are energy-related and 20% are precious or industrial metals.

GLOBAL FOOD PRICE INDEX

Global food prices fell by 1.1% in September 2022 to average 136.3 points, down from 137.9 in the preceding month. The September drop was led by a strong monthly fall in vegetable oil as well as smaller declines in the sugar, dairy and meat price sub-index.

PRODUCER PRICE INDEX (PPI)



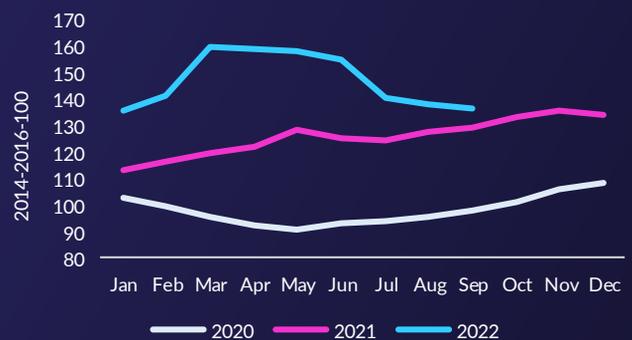
Source: ONS

COMMODITY PRICE INDEX



Source: Refinitiv (formerly Thompson Reuters)

GLOBAL FOOD PRICE INDEX



Source: UN, The Food and Agricultural Organisation

GLOBAL FOOD PRICES - October

Global food prices (according to the United Nations) continued to ease, contracting on the month by 1.1%. Prices continued to settle down from the all-time record in March, though prices remain 5.5% higher than a year ago. The September fall was led by strong monthly contraction in vegetable oil prices as well as lesser falls in the sugar, dairy and meat price sub-indices.

SUGAR

Prices fell 9.5% year-on-year



Sugar prices declined for the fifth consecutive month, in September, at their lowest level since July 2021. The decline this month was primarily due to improved production prospects in Brazil, with seasonal rain benefiting yields of standing crops. Placing further downward pressure on prices was the depreciation of Brazilian real against the United States Dollar.

MEAT

Prices rose by 7.7% year-on-year



Meat prices increased by 7.7% on the year though decreased 0.6% on the month. Remaining close to all-time highs, world prices for meats appear to be on their way down. Price quotations for ovine meat declined the most, with currency movements underpinning the price falls. High export availabilities from Brazil and weaker import demand also weighed on prices.

DAIRY

Prices rose 20.7% year-on-year



In September, prices for all dairy products saw moderate declines, reflecting exchange rate movements in a weaker Euro against the United States dollar. Limited market demand for medium-term deliveries in addition to broader economic concerns surrounding energy prices, labour shortages and tight milk production placed downward pressure on international dairy price quotations.

CEREALS

Prices increased 11.2% year-on-year



International wheat prices rebounded in September, as uncertainty heightened surrounding the continuation of the Black Sea blockade being lifted. Dry conditions in Argentina and the USA as well as elevated EU demand provided further support. Maize prices remained flat though barley prices fell, following improved harvest prospects in Australia and the Russian Federation.

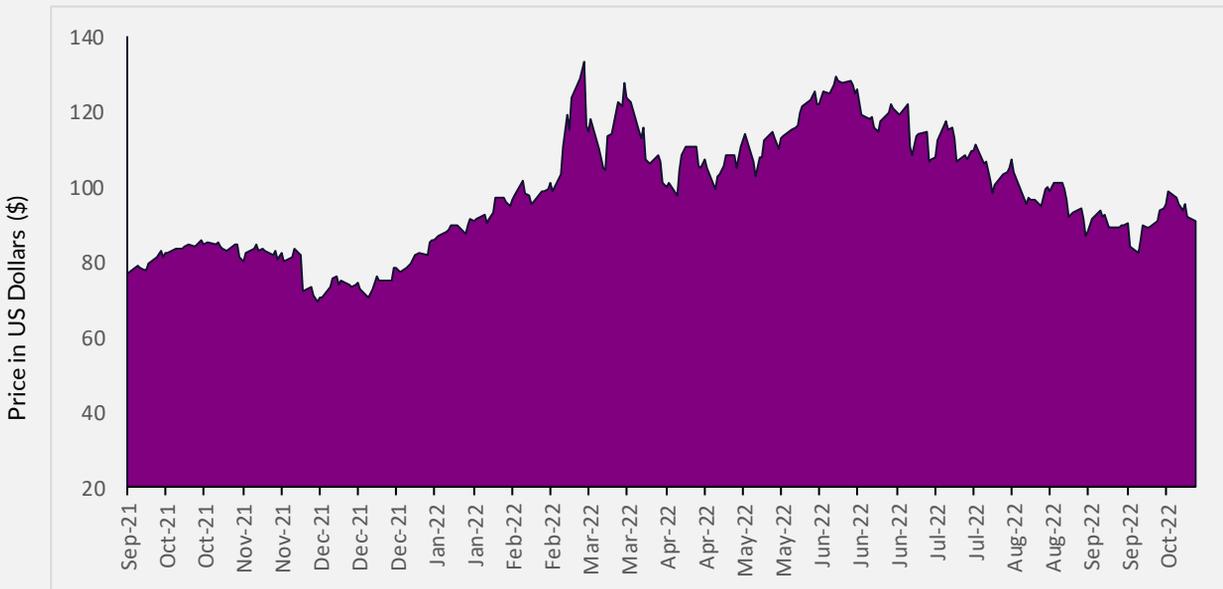
VEGETABLE OILS

Prices fell 9.5% year-on-year



Vegetable Oils prices fell by 9.5% on the year and 0.7% on the month. The fall in September was primarily driven by lower world prices of palm, soy, sunflower and rapeseed oils. Saturated inventories and seasonal production in Southeast Asia weighed on prices. Meanwhile world soyoil quotations dropped following elevated export availabilities in Argentina. On sunflower oil, prices dropped to a 14-month low due to increased export supplies from the Black Sea region and lower import demand.

GLOBAL BRENT CRUDE, DAILY SPOT PRICE



Source: US Energy Information Administration

OIL PRICES

In October, oil prices were flat, averaging \$92 / barrel, having peaked at over \$130 / barrel in the immediate aftermath of Russia's invasion of Ukraine. The increase followed a series of sanctions imposed on the Russian state, with the US and other NATO nations banning the import of Russian oil, limiting worldwide supply. Worldwide recession risks are now placing downward pressure on prices though they have been rising more recently due to production cutbacks.

The OPEC meeting held on the 5th of October resulted in an agreement to decrease production by 2 million barrels per day, starting November 2022. The meeting delivered sharply reduced oil production, as recession risks mount and concerns surrounding future demand grow. The oil cartel's next meeting takes place on the 4th of December, determining output levels for the month of January.

October YoY change

12%

October MoM change

4%

HEADLINE YEAR-ON-YEAR CHANGE

	OVERALL	NON-FOOD	FOOD	FRESH	AMBIENT
Oct-21	-0.4	-1.0	0.5	0.3	0.8
Nov	0.3	-0.1	1.1	1.2	0.9
Dec	0.8	-0.2	2.4	3.0	1.7
Jan	1.5	0.9	2.7	2.9	2.4
Feb	1.8	1.3	2.7	3.3	2.0
Mar	2.1	1.5	3.3	3.5	3.0
Apr	2.7	2.2	3.5	3.4	3.5
May	2.8	2.0	4.3	4.5	4.0
Jun	3.1	1.9	5.6	6.2	4.8
Jul	4.4	3.0	7.0	8.0	5.7
Aug	5.1	2.9	9.3	10.5	7.8
Sep	5.7	3.3	10.6	12.1	8.6
Oct-22	6.6	4.1	11.6	13.3	9.4

HEADLINE MONTH-ON-MONTH CHANGE

	OVERALL	NON-FOOD	FOOD	FRESH	AMBIENT
Oct-21	0.4	0.3	0.5	0.5	0.6
Nov	0.2	0.0	0.6	0.8	0.3
Dec	0.4	0.4	0.3	0.8	-0.3
Jan	0.1	-0.3	0.8	0.2	1.6
Feb	0.5	0.5	0.3	0.7	-0.2
Mar	0.3	0.1	0.5	0.1	1.0
Apr	0.3	0.3	0.2	0.0	0.4
May	0.3	0.1	0.7	0.9	0.5
Jun	0.7	0.4	1.3	1.9	0.5
Jul	0.7	0.4	1.3	1.6	0.8
Aug	1.1	0.5	2.3	2.4	2.2
Sep	0.7	0.4	1.3	1.6	0.9
Oct-22	1.3	1.2	1.5	1.6	1.3

CATEGORY YEAR-ON-YEAR CHANGE

	CLOTHING & FOOTWEAR	FURNITURE & FLOOR COVERING	ELECTRICALS	DIY, GARDENING & HARDWARE	BOOKS, STATIONERY & HOME ENT.	HEALTH & BEAUTY	OTHER NON-FOOD
-8.3	1.3	-0.5	1.2	-0.4	1.6	0.5	-8.3
-6.9	2.1	0.5	2.9	-1.0	1.2	1.0	-6.9
-7.1	1.6	-0.4	2.0	0.6	1.6	1.6	-7.1
-5.4	3.6	-0.1	1.8	1.9	1.8	2.2	-5.4
-4.1	3.3	-0.1	3.0	1.9	2.1	2.0	-4.1
-3.5	3.6	0.3	3.0	0.6	2.1	2.4	-3.5
-2.9	4.9	0.3	3.2	3.2	2.0	3.4	-2.9
-3.8	4.7	0.2	2.6	3.3	1.8	3.6	-3.8
-3.7	5.6	-0.1	2.9	2.8	2.2	2.5	-3.7
-3.1	7.2	-1.6	4.9	2.9	2.6	4.3	-3.1
-2.1	5.4	-0.6	6.3	5.7	2.5	3.2	-2.1
-1.8	5.6	-1.2	6.8	5.2	3.1	3.8	-1.8
-2.1	7.5	0.0	8.0	5.9	3.1	4.8	-2.1

CATEGORY MONTH-ON-MONTH CHANGE

	CLOTHING & FOOTWEAR	FURNITURE & FLOOR COVERING	ELECTRICALS	DIY, GARDENING & HARDWARE	BOOKS, STATIONERY & HOME ENT.	HEALTH & BEAUTY	OTHER NON-FOOD
Oct-21	1.0	-0.1	-0.7	0.2	0.5	0.5	0.4
Nov	-1.2	0.2	1.1	0.4	0.3	-0.7	0.5
Dec	0.2	0.5	-1.1	0.0	1.1	1.2	0.5
Jan	-2.3	0.2	-0.4	0.4	0.0	0.0	0.0
Feb	0.0	1.0	0.7	1.0	-0.3	0.1	0.6
Mar	0.1	0.4	0.1	0.1	0.3	-0.1	0.1
Apr	0.0	0.9	-0.2	0.2	1.5	0.4	0.1
May	0.1	0.5	0.3	-0.3	0.4	-0.8	0.4
Jun	0.1	0.8	-0.3	0.7	0.0	1.1	0.1
Jul	-0.3	-0.4	-0.6	2.2	0.4	0.5	0.7
Aug	0.6	0.6	0.8	1.3	1.6	-0.2	0.0
Sep	-0.1	0.8	-0.7	0.6	-0.6	1.1	0.4
Oct-22	0.7	1.7	0.5	1.4	1.1	0.5	1.4

CATEGORY INDEX

(Base = Dec 2005)

	Overall	Food	Fresh	Ambient	Non-Food	Clothing & Footwear	Furniture & floor covering	Electrical	DIY, Gardening & Hardware	Books, Stationery & Home Entertainment	Health & Beauty	Other Non-Food
Oct-21	99.7	142.6	135.8	152.6	81.1	36.7	91.9	59.4	108.7	103.2	118.5	113.8
Nov	100.1	143.3	136.6	153.5	81.3	37.1	91.8	59.0	109.0	103.6	119.2	114.2
Dec	100.3	144.2	137.6	154.0	81.4	36.7	92.0	59.6	109.4	104.0	118.4	114.7
Jan	100.7	144.6	138.7	153.4	81.7	36.7	92.5	59.0	109.3	105.2	119.8	115.3
Feb	100.7	145.8	139.0	155.9	81.4	35.9	92.7	58.7	109.7	105.1	119.8	115.2
Mar	101.2	146.2	140.0	155.6	81.9	35.9	93.7	59.1	110.8	104.8	119.9	115.9
Apr	101.5	147.0	140.1	157.2	82.0	35.9	94.0	59.2	111.0	105.2	119.7	116.0
May	101.7	147.3	140.1	157.9	82.2	35.9	94.9	59.0	111.1	106.7	120.2	116.1
Jun	102.1	148.3	141.3	158.7	82.3	35.9	95.3	59.2	110.8	107.2	119.2	116.6
Jul	102.8	150.2	144.0	159.4	82.6	36.0	96.1	59.0	111.6	107.1	120.5	116.7
Aug	103.5	152.1	146.4	160.7	83.0	35.9	95.7	58.6	114.0	107.5	121.1	117.6
Sep	104.6	155.6	149.9	164.2	83.4	36.1	96.3	59.1	115.5	109.3	120.9	117.5
Oct-22	105.4	157.7	152.3	165.7	83.7	36.1	97.0	58.7	116.1	108.6	122.2	118.0

About this monitor

The SPI is administered by NielsenIQ, who collate and analyse the data on behalf of the BRC. Economic analysis is conducted by the BRC.

The index provides an indicator of the direction of price changes in retail outlets. The BRC launched the Shop Price Index to give an accurate picture of the inflation rate of 500 of the most commonly bought high street products in stores.

As the Index is designed to reflect changes in shop prices, the sampling points chosen are five large urban areas, spread nationally. Not all sample stores are in city centres; they have been selected to reflect local shopping habits.

The sample therefore includes superstores on out-of-town sites, town centre department stores, local parade stores, and shopping centres. In each location, NielsenIQ collect and process the data for the BRC, visit stores of differing types, e.g. grocery, confectionery, DIY, department stores – including small and large multiples and independents. Data collection is monthly and always in the same stores to maintain consistency.

The items for which prices are collected reflect standard consumer purchasing patterns in terms of branded/own label split and price distribution. The Index is constructed of seven main sectors of purchase: food, DIY, gardening and hardware, furniture, books, stationery and home entertainment, electrical, clothing and footwear, and other Non-Food. In total there are 500 items representing the seven main sectors, there are around 6,500-7,000 price points collected each period. Each product class category has an individual weighting based on the “All households” expenditure measured in the Family Expenditure Survey. This data is also used to weight the Office for National Statistics Retail Price Index (RPI).

Although it is a proxy measure of inflation, the Shop Price Index is more focused than the Retail Price Index and demonstrates the extent to which retailers contribute to inflation through their pricing of a range of commonly bought goods.

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