



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: 01-07 February 2023

Strictly embargoed until 0.01hrs, Wednesday 1st March 2023

February 2023



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Headline commentary



“Shop price inflation rose to another record high as retail prices across the board continued to react to the impact of soaring energy bills, higher running costs and tougher trading conditions brought about by the war in Ukraine. For non-food products, these factors particularly impacted gardening tools and pet food. Meanwhile, fresh food prices, especially vegetables, were also affected by a weaker pound, making produce imports from Europe more expensive.”

“While we expect to see the annual inflation rate reduce in the second half of this year, retail prices will remain high over the coming months. Government must avoid any additional costs on business as this will jeopardise retailers’ ability to best support their customers and keep prices low throughout this cost-of-living crisis.”

Helen Dickinson OBE | Chief Executive | British Retail Consortium



“With more than half (56%) of UK consumers feeling they are in a worse financial position compared to a year ago and inflation still stubbornly high, many households are trimming back on non-essential spending. And as volume sales are down on last year, some retailers are having to work even harder to encourage customer spend, including additional price cuts or promotional activity. This is likely to continue until consumer confidence starts to improve.”

Mike Watkins | Head of Retailer and Business Insight | NielsenIQ

Executive Summary

Shop Price Inflation picked up in February, with headline price growth accelerating on the month. Food prices continued their increase, driven by ready-meals, oils and vegetables. Non-food prices picked up as fashion items and DIY, Gardening & Hardware products saw strong price increases. However, global commodity prices and input inflation appear to have peaked, broadly trending downwards in recent months. Inflation will, however, remain elevated as raw input costs stick higher. Risks for future inflation are skewed to the upside as a result of uncertainty surrounding the Ukraine-Russia conflict in addition to China's economic re-opening, risking further volatility in commodity markets.

Our anticipation remains that shop price inflation will persist in 2023 with a peak in price growth near. High operational costs are set to persist, primarily within manufacturing and transport, with inflation lingering before easing more substantially in the second half of 2023.

All prices

Shop Price annual inflation accelerated to 8.4% in February, up from 8.0% in January. This is above the 3-month average rate of 7.8%. This brings shop price growth to a fresh high.

8.4%

% change year-on-year

Non-Food

Non-Food inflation accelerated to 5.3% in February, up from 5.1% in January. This is above the 3-month average rate of 4.9%. Inflation rose to a fresh high in this category.

5.3%

% change year-on-year

Food

Food inflation accelerated to 14.5% in February, up from 13.8% in January. This is above the 3-month average rate of 13.8%, and is the highest inflation rate in the food category on record.

14.5%

% change year-on-year

Fresh

Fresh Food inflation accelerated in February, to 16.3%, up from 15.7% in January. This is above the 3-month average rate of 15.6% and is the highest inflation rate in the fresh food category on record.

16.3%

% change year-on-year

Ambient

Ambient Food inflation accelerated to 12.2% in February, up from 11.3% in January. This is above the 3-month average rate of 11.5% and is the fastest rate of increase in the ambient food category on record.

12.2%

% 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
Feb-23	8.4	0.8	14.5	1.0	5.3	0.7
Jan-23	8.0	0.7	13.8	1.3	5.1	0.3

INFLATION CONTINUES TO ACCELERATE

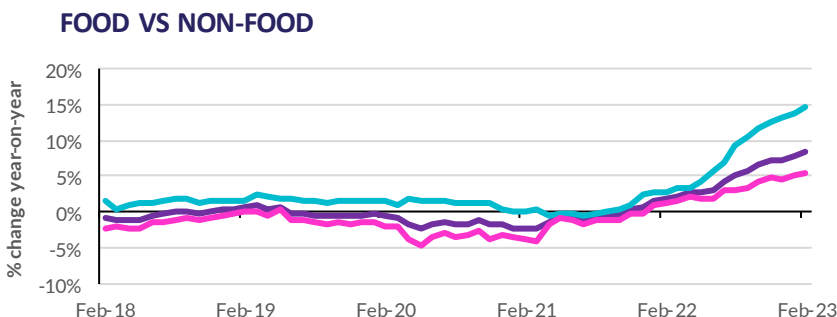
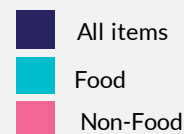
Shop Price Inflation accelerated to 8.4% in February, and in monthly terms price growth also picked up to 0.8%. Food price inflation remains the strongest driver, though non-food prices increased on the month too. Both fresh and ambient food products continue to record strong inflation rates in double-digits.

Shop prices have been increasing for more than a year, most strongly following a global commodity price shock that eased since a peak in June. However, costs (particularly energy and metals) remain elevated relative to pre-pandemic levels. Input costs as measured by domestic producer price inflation (PPI) eased for a seventh consecutive month. We estimate upwards of a 12-month lag between global and domestic retail prices, and easing commodity price pressure will only start to materially reduce inflation in 2023 H2.

Supply-chain conditions continued to improve in January, with the Global Supply Chain Pressure Index trending down. However, geopolitical risks remain high, and the Black Sea Grain Initiative is set to expire in March, raising the possibility of another global food price spike. In our outlook, these uncertainties will cause price pressures to remain within the global economic system in the near term.

It should be noted that some costs are falling more rapidly than others, one example being shipping costs returning close to pre-pandemic levels as global demand tails off. Additionally, land transport costs have also begun to fall as fuel becomes cheaper. But there is still uncertainty over future oil and natural gas prices, though some inputs costs are clearly beginning to ease.

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
Feb-23	8.4	0.8	14.5	1.0	5.3	0.7
Jan-23	8.0	0.7	13.8	1.3	5.1	0.3

OIL PRICES LULL, WHOLESAL GAS DOWN

Encouragingly for households and businesses alike, natural gas prices in spot markets have fallen. However, ongoing support in the form of a government subsidy has shielded them from the worst of heightening bills. Support is currently set to be removed from Q2 2023, and prices will need to remain low for businesses to feel any reprieve. Gas costs have had major implications for fertiliser prices, though prices are beginning to trend back down now.

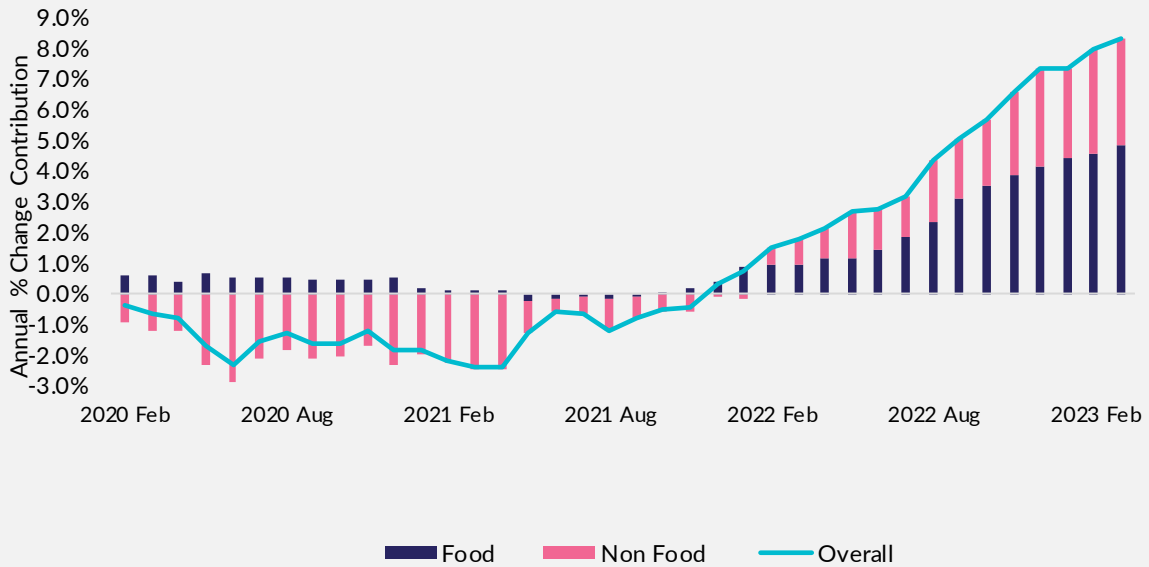
High oil and gas prices affect almost every industry in the supply chain, albeit to varying degrees (according to the ONS, the wholesale and retail sector is ranked fourth in seeing production or supply issues due to rising energy prices). From increased production costs to prices paid for transportation and storage, energy is required at every stage of the process, which in turn increases price inflation for products as the cost base of firms widens.

Non-Food prices have been affected by these factors, to varying degrees across product categories, and price increases for fashion items in the most recent reporting period drove prices up. Price inflation on the month was 0.8%, and categories such as Clothing & Footwear and DIY, Gardening & Hardware continued to see strong price growth over the month.

Global oil prices have been volatile over the past few months, and hovered around \$84 per barrel in February. Wholesale gas prices continue to fall, as a milder Autumn than expected meant subdued demand overall, with European reserves continuing to hold well. 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 sanctions on Russia, though energy prices remain vulnerable to rising demand from China as its economy reopens.

To limit the effects of the current geopolitical turmoil, efforts are being made to ease the tight supply of energy, 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 February to 14.5%. This is well above the 12- and 6-month average price growth rates of 9.0% and 12.7%, respectively. This represents a record high for the food price series.

Non-Food inflation accelerated to 5.3% in February, up from 5.1% in January. This remains above both the 12- and 6-month average price growth rates of 3.3% and 4.4%, respectively. These data bring the non-food price series to a new record level also.

Food

14.5%

February, YOY change

Non-Food

5.3%

February, YOY change

% Change	Food		Fresh		Ambient	
	On last year	On last month	On last year	On last month	On last year	On last month
Feb-23	14.5	1.0	16.3	1.2	12.2	0.6
Jan-23	13.8	1.3	15.7	0.8	11.3	1.9

FRESH FOOD

Fresh Food inflation accelerated in February to 16.3%, up from 15.7% in January. This is above the 12-month and 6-month average price growth rates of 10.2% and 14.4%, respectively.

Month-on-Month Fresh food price growth strengthened considerably to 1.2%.

February UK Dairy wholesale prices (see chart) saw monthly falls in all categories, with prices of Bulk Cream falling by 14%, Butter by 5%, Mild Cheddar by 12% and Skim Milk Powder by 3%.

In annual terms, prices were only higher in mild cheddar.

AMBIENT FOOD

Ambient Food inflation accelerated to 12.2% in February, up from 11.3% in January. This is the highest rate of inflation for the category on record. This is above the 12-month and 6-month average price increases of 7.5% and 10.4%, respectively.

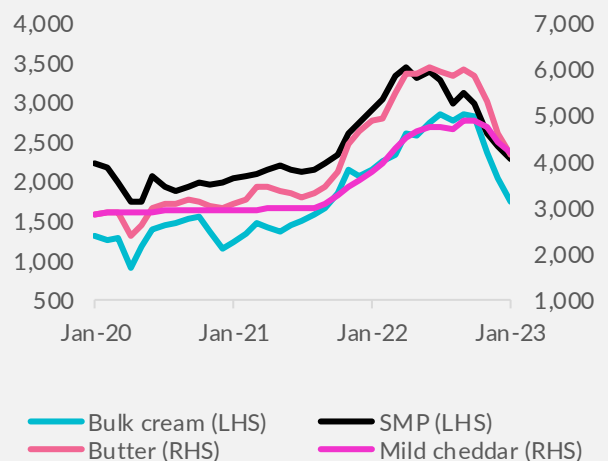
Month-on-Month price growth significantly decelerated to 0.6%.

UK WHOLESALE DAIRY PRICES, FEBRUARY 2022

	Bulk cream	Butter	Skim Milk Powder	Mild cheddar
YoY	-33%	-20%	-27%	-7%
MoM	-14%	-5%	-3%	-12%

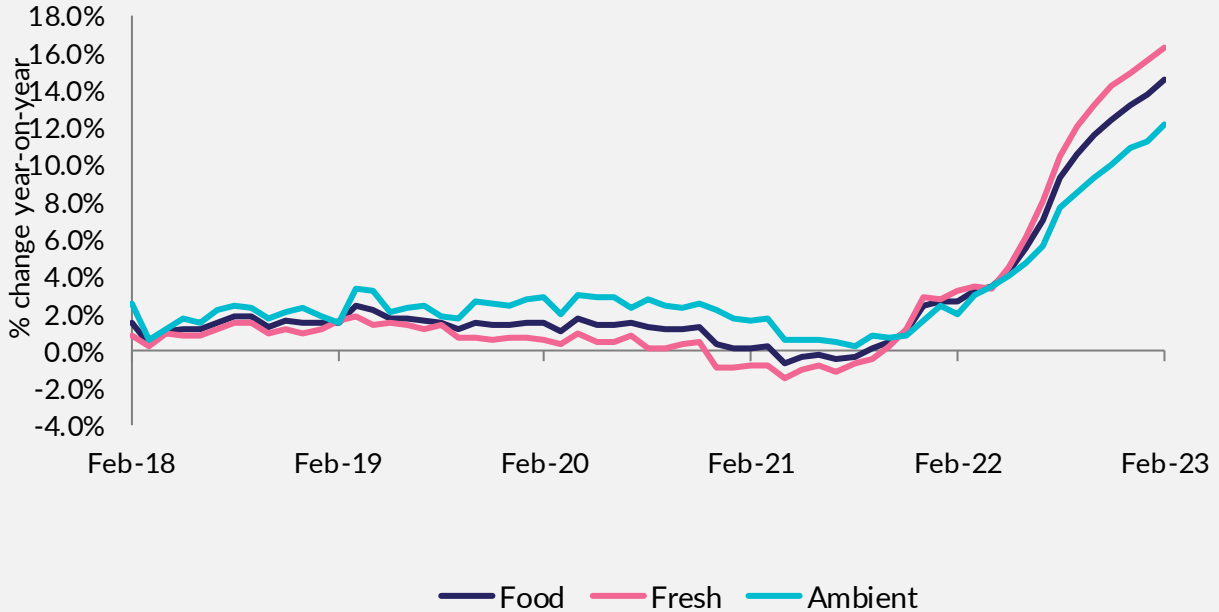
Source: Agricultural & Horticulture Development Board Dairy.

UK WHOLESALE DAIRY PRICES, FEBRUARY 2022



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

FOOD INFLATION



UK PRODUCE PRICES

Yearly price changes of home-grown produce continued to display a wide degree of variation in February.

The most significant price decline in vegetables was -1% for turnips, and the largest price rise was 243% for cucumbers.

Fruit inflation also varied, with Egremont Russet apples showing the highest increase at 30% and Bramley/Other-late-season apples showing the most significant price decrease at 43%.

WHOLESALE PRODUCE
BOTTOM-5/TOP-5 PRICE CHANGES YOY

Bramley/Other Apples	-43%
Other Late Season Apples	-24%
Tulips	-10%
Pears	-9%
Turnips	-1%
Cabbage	45%
Spring Greens	80%
Onion	94%
Cauliflower	104%
Cucumbers	243%

Source: DEFRA wholesale prices of home-grown produce in England and Wales. February 2023 prices are average of prices in weeks ending: 03/02, 10/02, 17/02 and 24/02.

	FEB-23		JAN-23	
	On last year	On last month	On last year	On last month
Clothing & Footwear	1.1	1.1	0.0	-1.3
Electricals	-0.1	0.7	-0.1	0.2
Health & Beauty	5.0	0.2	4.8	0.9
Other Non-Food	6.7	1.2	6.1	0.7
Books, Stationery & Home Entertainment	5.0	-0.7	5.4	0.4
Furniture & Floorcovering	6.1	0.3	6.8	1.0
DIY, Gardening & Hardware	9.2	0.9	9.3	0.4
Total Non-Food	5.3	0.7	5.1	0.3

NON-FOOD

Non-Food inflation accelerated to 5.3% in February, up from 5.1% in January. This is above the 12-month and 6-month average price increases of 3.3% and 4.4%, respectively. Most non-food categories saw sustained inflationary pressures, remaining positive for six of the seven categories in the index's basket of goods. On the month, Non-Food prices rose by 0.7%, with prices increasing in six out of the seven categories of the index.

Clothing & Footwear prices rose over the previous year in the Non-Food index and inflation was 1.1% in February, compared to -1.0% in January. This is above the 12- and 6-month average price decreases of -2.0% and of -0.8%, respectively. Deflation decelerated for **Women's Clothing and Other Clothing, Baby and Men's Clothing, and Footwear** are the four constituent clothing categories showing signs of inflation. Month-on-month, headline prices rose by 1.1%.

Electricals prices were the only category to have fallen over the previous year, by -0.1%. This was above the 12- and below the 6-month average price increases of -0.4% and -0.6%, respectively. Annual price growth in **Household Appliances** entered deflation though **Audio-Visual Equipment** experienced decelerating (less negative) deflation. Month-on-month, headline prices rose by 0.7%.

Health & Beauty inflation accelerated to 5.0% in February. This is above the 12- and 6-month average price growth rates of 3.1% and 4.1%, respectively. This remains near all-time highs for this category. Inflation for both **Toiletries & Cosmetics** and **Personal Care** accelerated. Month-on-month, headline prices increased by 0.2%.

	FEB-23		JAN-23	
	On last year	On last month	On last year	On last month
Clothing & Footwear	1.1	1.1	0.0	-1.3
Electricals	-0.1	0.7	-0.1	0.2
Health & Beauty	5.0	0.2	4.8	0.9
Other Non-Food	6.7	1.2	6.1	0.7
Books, Stationery & Home Entertainment	5.0	-0.7	5.4	0.4
Furniture & Floorcovering	6.1	0.3	6.8	1.0
DIY, Gardening & Hardware	9.2	0.9	9.3	0.4
Total Non-Food	5.3	0.7	5.1	0.3

NON-FOOD (cont.)

Other Non-Food inflation accelerated to 6.7% in February, up from 6.1% in January. This is above the 12-month average of 4.3% and the 6-month average of 5.4%. Inflation for **Personal Effects** and **Non-Durable Household Goods** considerably accelerated. The other categories in **Pets, Related Products & Services, Tobacco** and **Recreation and Sport** all also saw annualised inflation accelerate. Month-on-month, headline prices rose by 0.7%.

Books & Stationery prices increased by 5.0% in the 12 months to February. This is higher than the 12-month average price increase of 4.1% but lower than the 6-month average price growth rate of 5.2%. Yearly deflation accelerated in February for **Home Entertainment**. **Stationery** inflation decelerated with **Books & Newspapers** price growth also slowing. Month-on-month, headline prices decreased by 0.7%.

Furniture inflation decelerated to 6.1% in February, down from 6.8% in January. This is above the 12-month average price increase of 5.8% but below the 6-month average price increase of 6.5%. Inflation decelerated for **Furniture & Furnishings** as well as for **Household Textiles**. Month-on-month, headline prices rose by 0.3%.

DIY & Gardening inflation decelerated slightly to 9.2% in the 12 months to February. This is above the 12- but below the 6-month average price growth rates of 8.5% and 9.3%, respectively. **House & Garden** products' inflation decelerated while **Household Utensils'** prices accelerated. Month-on-month, headline prices increased by 0.9%.

UK Output Inflation

January Output prices (those for goods leaving the factory) rose by 13.5% compared to the same point in 2021, down from 14.6% in December 2022.

Of the ten product groups, four displayed downward contributions to the annual output inflation rate in January. Food products provided the largest upward contribution to the annual rate and had annual price growth of 17.1% in January 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.

Petroleum products provided the largest downward contribution to the change in the output rate, with fuel now notably coming down in price.

UK Input Inflation

The largest upward contribution to the annual input inflation rate came from metals and non-metallic minerals, which contributed 3.2 percentage points of the overall 14.1% figure, exhibiting annual price growth of 14.2% in January 2022, following monthly growth of 1.5%. Geopolitical tensions are seeing high metals prices, with the subsequent rises being shouldered by factory gates, particularly in heavy industry.

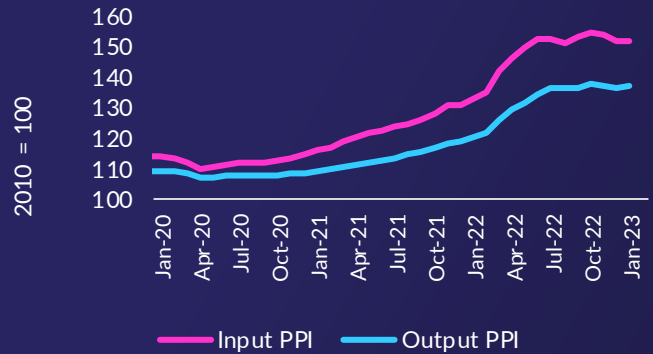
COMMODITY PRICE INDEX

Global Commodity prices gradually fell by the end of February, having peaked in June 2022. Since then, prices have steadily fallen by 17.2% 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 0.9% lower than over the previous three months. Furthermore, prices remain significantly inflated from the same point last year, with an increase of 20.0%. 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

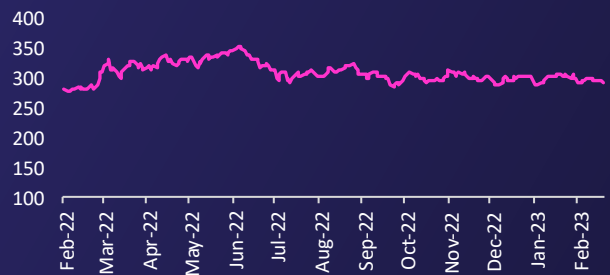
Global food prices fell by 0.8% in January 2022 to average 131.2 points, down from 132.2 in the preceding month. The January drop was driven by a strong monthly fall in vegetable oils and lesser declines in dairy and sugar prices. In contrast, cereals prices were broadly flat over the previous month.

PRODUCER PRICE INDEX (PPI)



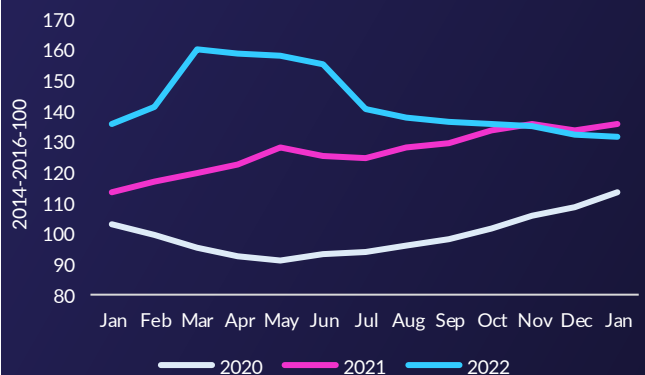
Source: ONS

COMMODITY PRICE INDEX



Source: Refinitiv (formerly Thomson Reuters)

GLOBAL FOOD PRICE INDEX



Source: UN, The Food and Agricultural Organisation

GLOBAL FOOD PRICES - JANUARY

Global food prices (according to the United Nations) continued their downward trend, with a fall of 0.8%. Prices continued to settle down from the all-time record in March 2022, and prices are now 0.8% lower than a year ago. The January fall was led by strong monthly contraction in vegetable oils and dairy, though a marginal rise was observed in cereals.



SUGAR

Prices rose 2.8% year-on-year

Sugar prices fell, in January, following two consecutive increases. The decrease this month was primarily due to the impact on crop yields from good weather conditions in Brazil, and favourable harvest progress in Thailand. Uncertainty over crop yields in India contained more substantial price declines.



MEAT

Prices rose by 1.3% year-on-year

Meat prices increased by 1.3% on the year though decreased 0.1% on the month. World prices for meats, despite remaining elevated, reached their lowest level since January 2021. Lower world price quotations for poultry, bovine and pig meats drove the decline in the most recent reporting period. Poultry supplies remain steady despite widespread avian influenza outbreaks with subdued import demand helping also.



DAIRY

Prices rose 2.7% year-on-year

In January, prices for dairy products fell to their lowest since January 2022. Lower international prices for butter and milk powders underpinned the decrease. Lower import demand helped push prices down and increased supplies from Oceania helped bolster inventories. In contrast, world cheese prices increased slightly, as recovering services and retail sales demand improved consumption demand in Western Europe.



CEREALS

Prices increased 4.8% year-on-year

International wheat prices rose by 0.1% in January, remaining broadly flat. World prices of rice and maize rose although those of barley and wheat fell. Tighter export availabilities and strong demand from Asia pushed rice prices up by a strong 6.2%, on the month, and Barley price rose marginally due to strong export demand from Brazil.

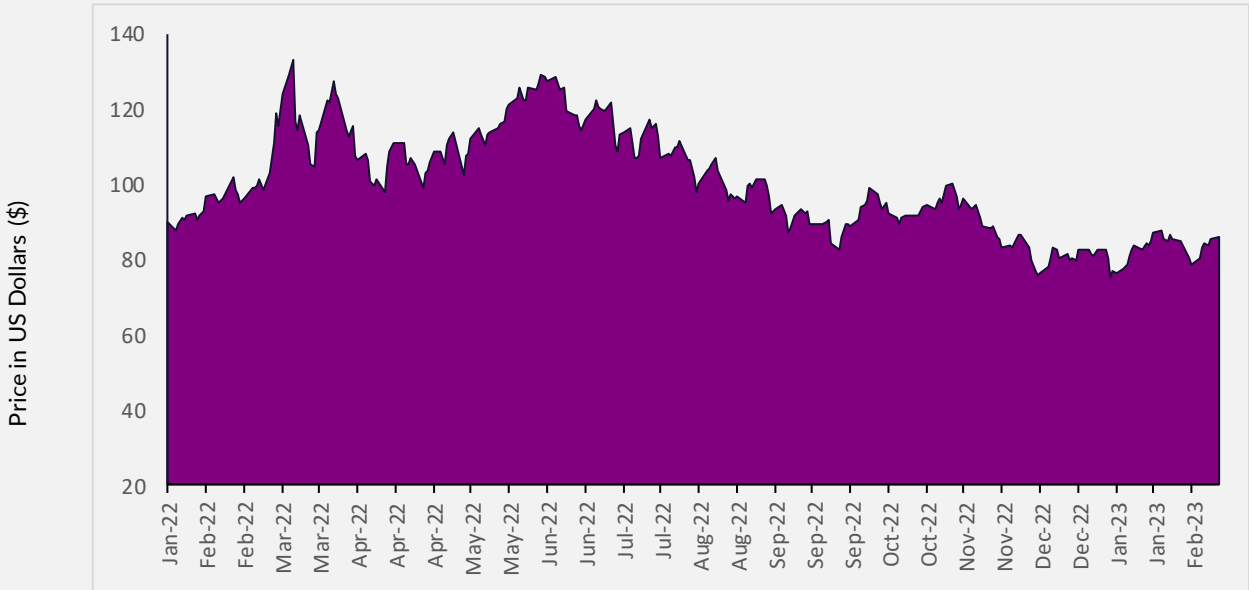


VEGETABLE OILS

Prices fell 24.5% year-on-year

Vegetable Oils prices fell by 24.5% on the year and decreased 2.9% on the month. The decrease in January was led by lower price quotations across soy, palm and sunflowerseed and rapeseed oils. Subdued import demand, positive seasonal production and lower crude mineral oil prices all exerted downward pressure on world vegetable oil prices.

GLOBAL BRENT CRUDE, DAILY SPOT PRICE



Source: US Energy Information Administration

OIL PRICES

In February, oil prices rose, averaging \$84 per barrel, having peaked at over \$130 per barrel in the immediate aftermath of Russia's invasion of Ukraine. The increase also followed heightened US and Chinese demand. Worldwide recession risks are placing downward pressure on prices, though production cutbacks provide price support.

The OPEC meeting held on 4 January 2022 resulted in an agreement to maintain the restriction in production by 2 million barrels per day until the end of 2023 as recession risks, and thus demand is likely to fall.

The oil cartel's next meeting takes place on the 4 June 2023, to determine output levels for H2 2023 and 2024.

February YoY change

-11%

February MoM change

3%

HEADLINE YEAR-ON-YEAR CHANGE

	OVERALL	NON-FOOD	FOOD	FRESH	AMBIENT
Feb-22	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	6.6	4.1	11.6	13.3	9.4
Nov	7.4	4.8	12.4	14.3	10.0
Dec	7.3	4.4	13.3	15.0	11.0
Jan	8.0	5.1	13.8	15.7	11.3
Feb-23	8.4	5.3	14.5	16.3	12.2

HEADLINE MONTH-ON-MONTH CHANGE

	OVERALL	NON-FOOD	FOOD	FRESH	AMBIENT
Feb-22	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	1.3	1.2	1.5	1.6	1.3
Nov	0.9	0.7	1.3	1.6	0.9
Dec	0.3	0.0	1.1	1.4	0.6
Jan	0.7	0.3	1.3	0.8	1.9
Feb-23	0.8	0.7	1.0	1.2	0.6

CATEGORY YEAR-ON-YEAR CHANGE

	CLOTHING & FOOTWEAR	FURNITURE & FLOOR COVERING	ELECTRICALS	DIY, GARDENING & HARDWARE	BOOKS, STATIONERY & HOME ENT.	HEALTH & BEAUTY	OTHER NON-FOOD
Feb-22	-4.1	3.3	-0.1	3.0	1.9	2.1	2.0
Mar	-3.5	3.6	0.3	3.0	0.6	2.1	2.4
Apr	-2.9	4.9	0.3	3.2	3.2	2.0	3.4
May	-3.8	4.7	0.2	2.6	3.3	1.8	3.6
Jun	-3.7	5.6	-0.1	2.9	2.8	2.2	2.5
Jul	-3.1	7.2	-1.6	4.9	2.9	2.6	4.3
Aug	-2.1	5.4	-0.6	6.3	5.7	2.5	3.2
Sep	-1.8	5.6	-1.2	6.8	5.2	3.1	3.8
Oct	-2.1	7.5	0.0	8.0	5.9	3.1	4.8
Nov	-0.9	7.4	-1.0	8.4	4.8	4.9	6.2
Dec	-1.0	6.0	-0.7	9.3	5.0	4.0	5.3
Jan	0.0	6.8	-0.1	9.3	5.4	4.8	6.1
Feb-23	1.1	6.1	-0.1	9.2	5.0	5.0	6.7

CATEGORY MONTH-ON-MONTH CHANGE

	CLOTHING & FOOTWEAR	FURNITURE & FLOOR COVERING	ELECTRICALS	DIY, GARDENING & HARDWARE	BOOKS, STATIONERY & HOME ENT.	HEALTH & BEAUTY	OTHER NON-FOOD
Feb-22	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	0.7	1.7	0.5	1.4	1.1	0.5	1.4
Nov	0.0	0.1	0.0	0.7	-0.7	1.0	1.8
Dec	0.1	-0.7	-0.8	0.8	1.3	0.3	-0.3
Jan	-1.3	1.0	0.2	0.4	0.4	0.9	0.7
Feb-23	1.1	0.3	0.7	0.9	-0.7	0.2	1.2

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
Feb-22	101.20	146.24	139.95	155.63	81.86	35.88	93.66	59.12	110.85	104.84	119.90	115.91
Mar	101.46	146.99	140.14	157.23	81.96	35.92	94.01	59.17	110.98	105.18	119.73	116.02
Apr	101.73	147.25	140.10	157.93	82.21	35.92	94.86	59.04	111.15	106.75	120.23	116.10
May	102.05	148.30	141.34	158.69	82.31	35.94	95.35	59.22	110.82	107.16	119.22	116.63
Jun	102.77	150.21	144.02	159.45	82.64	35.99	96.10	59.03	111.58	107.11	120.52	116.74
Jul	103.50	152.10	146.36	160.66	83.00	35.88	95.73	58.65	113.99	107.54	121.13	117.57
Aug	104.65	155.61	149.87	164.17	83.41	36.10	96.28	59.15	115.50	109.27	120.94	117.54
Sep	105.37	157.67	152.27	165.71	83.72	36.06	97.03	58.71	116.14	108.56	122.24	118.05
Oct	106.70	159.97	154.71	167.84	84.69	36.31	98.66	59.01	117.72	109.74	122.89	119.72
Nov	107.69	162.08	157.24	169.32	85.30	36.31	98.80	58.98	118.59	108.96	124.12	121.83
Dec	108.05	163.82	159.50	170.32	85.26	36.37	98.06	58.53	119.51	110.37	124.54	121.43
Jan	108.76	165.91	160.79	173.56	85.56	35.88	99.05	58.64	119.94	110.85	125.60	122.26
Feb-23	109.65	167.52	162.78	174.63	86.19	36.28	99.33	59.03	121.01	110.12	125.89	123.70

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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