



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 September 2023

Strictly embargoed until 0.01hrs, Tuesday 3rd October 2023

September 2023



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Headline commentary



“Food prices dropped on the previous month for the first time in over two years because of fierce competition between retailers. This brought year-on-year food inflation down to single digits and contributed to the fifth consecutive monthly fall in the headline rate, helped by easing cost pressures. Customers who bought dairy, margarine, fish and vegetables – all typically own-brand lines – will have found lower prices compared to last month. Households also benefitted from price cuts for school uniforms and other back-to-school essentials.

We expect Shop Price Inflation to continue to fall over the rest of the year, however there are still many risks to this trend – high interest rates, climbing oil prices, global shortages of sugar, as well as the supply chain disruption from the war in Ukraine. Retailers will continue to do all they can to support their customers and bring prices down, especially as households face being squeezed by higher energy and mortgage bills.”

Helen Dickinson OBE | Chief Executive | British Retail Consortium



“With further price cuts by supermarkets in recent weeks, food inflation continues to slow which is good news. However there continues to be pressure on budgets with over half of households still feeling that they are significantly impacted by the continued increases in cost of living. (NIQ Mid-Year Consumer Outlook). So, it will be important for retail sales to keep momentum which means we can expect more price cuts and increased promotional activity across all retail channels.”

Mike Watkins | Head of Retailer and Business Insight | NielsenIQ

Executive Summary

Shop Price Inflation continues to fall, with overall prices remaining flat over the previous month. In what will be welcome news by consumers, food prices fell for the first time in more than two years, and inflation indeed fell into single-digits, albeit just about. Non-food prices marginally rose by 0.1%, though did fall for three out of seven of the constituent categories. A recent rise in oil prices is likely to bring Producer Price Inflation out of deflationary territory, implying a slower reduction in business cost bases as the shock from high energy prices firmly dissipates.

Price inflation is expected to continue to fall into the final quarter, and into 2024. However, it remains the most likely scenario that the disinflation process will remain slow as services inflation persists.

All prices

Shop Price annual inflation decelerated further to 6.2% in September, down from 6.9% in August. This is below the 3-month average rate of 6.8%. Shop price growth is at its lowest since September 2022.

6.2%

% change year-on-year

Non-Food

Non-Food inflation eased to 4.4% in September, down from 4.7% in August. This is below the 3-month average rate of 4.6%. Inflation is its lowest since December 2022.

4.4%

% change year-on-year

Food

Food inflation decelerated to 9.9% in September, down from 11.5% in August. This is below the 3-month average rate of 11.4% and is the fifth consecutive deceleration in the food category. Inflation is its lowest since August 2022.

9.9%

% change year-on-year

Fresh

Fresh Food inflation slowed further in September, to 9.6%, down from 11.6% in August. This is below the 3-month average rate of 11.5% and inflation in this category remains elevated. Inflation is its lowest since July 2022.

9.6%

% change year-on-year

Ambient

Ambient Food inflation decelerated to 10.4% in September, down from 11.3% in August. This is below the 3-month average rate of 11.2% and is the lowest since November 2022.

10.4%

% 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
Sep-23	6.2	0.0	9.9	-0.1	4.4	0.1
Aug-23	6.9	0.5	11.5	0.6	4.7	0.4

FOOD PRICES ' FIRST FALL IN OVER TWO YEARS

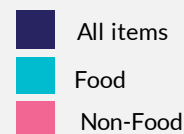
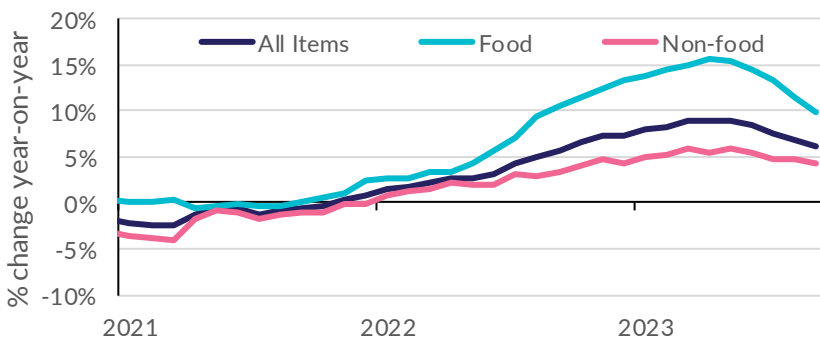
Shop Price Inflation slowed further to 6.2% in September, and in monthly terms prices were unchanged, following a resurgence in the previous month. Food price inflation has now entered single digit inflation, albeit barely, though prices fell for the first time in more than two years. Non-food prices rose very slightly on the month, a second consecutive increase. Books, stationery and home entertainment primarily drove the increase and the headline rate is expected to continue to ease over the coming months.

Shop price inflation continues to fall, although the pace at which it falls is expected to be slow going forward. Price pressures remain in the ambient category of food products, with fresh products primarily accounting for the decline in food prices on the month. However, input costs as measured by producer price inflation (PPI) in the domestic sphere, look likely to re-enter low single-digit inflation following a rise in oil prices. Consumer food inflation is still likely to fall below 10% into the final quarter of this year.

Global supply chain conditions remained unchanged in August, with the Global Supply Chain Pressure Index calculated by the US Federal Reserve suggesting positive conditions relative to historical norms. Tail risks to the outlook remain high, and a recent spike in oil prices has the potential to slow down disinflation over the coming quarters. In addition, sugar prices remain elevated and uncertainty is forcing the price of palm oil back up.

Shop Price Inflation
at lowest rate this
year

FOOD VS NON-FOOD



% Change	Overall SPI		Food		Non-Food	
	On last year	On last month	On last year	On last month	On last year	On last month
Sep-23	6.2	0.0	9.9	-0.1	4.4	0.1
Aug-23	6.9	0.5	11.5	0.6	4.7	0.4

OIL PRICES HEADING BACK UP

The contribution of housing and energy costs to overall inflation eased further, and the Consumer Price Inflation (CPI) measure fell to 6.7%, the lowest in a year. However, prices remain elevated relative to pre-Covid levels. Businesses continue to benefit from energy bill support, lasting until 2024, however many are likely to find that their energy bills have increased upon renewal.

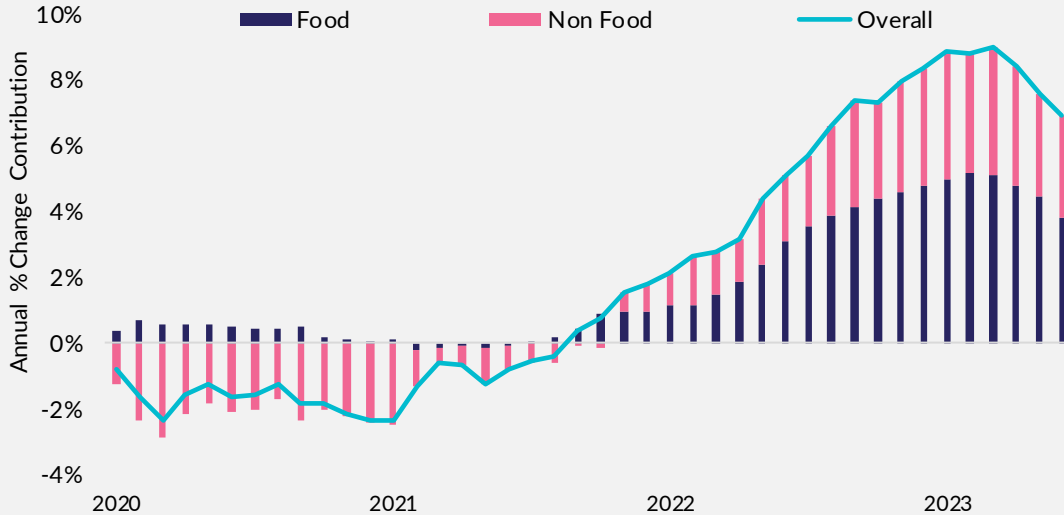
Gas costs have eased considerably, and the price of fertiliser has also returned from historic-highs to more manageable levels. However, numerous parts of business cost bases will remain elevated into 2024, not limited to transportation costs, including labour and taxes. This will imply a slow pass-through of price cuts, and inflation finally eases back to the 2% target at the end of 2024, at the earliest.

Non-Food inflation has peaked and continued to fall in the most recent month. Prices on the month rose very slightly, driven significantly by books, stationery and home entertainment. Some discounting was noted in the fashion category as well as DIY, gardening & hardware. Price pressure continues to ease across most categories.

Global oil prices have been rising over the past couple months, and more recently rose on the month to \$91 (September month to date average). Petroleum product input costs are expected to re-enter low single-digit inflation and risks remain skewed to the upside for further movements in oil price levels.

Input costs in other categories, most notably food, are now falling on the month, but imported food saw another increase in the most recent month, keeping annual inflation in imported food materials at 15.1%. With a weaker pound and greater vulnerability to a terms of trade shock (being a net importer of energy products), the UK has hitherto imported the bulk of its inflation. Localised supply bottlenecks in key consumables such as sugar and palm oil are worsening the inflation felt by the consumer, with certain costs continuing to be passed-down the supply-chain.

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



Source: BRC-NielsenIQ

FOOD

Food contributed 3.3% to the overall shop price figure, and **inflation** decreased in September to 9.9%. This is below the 12-month and 6-month average price growth rates of 13.3% and 13.1%, respectively. This represents a fifth consecutive deceleration in the food series.

Food

9.9%

September, YOY change

NON-FOOD

Non-Food contributed 2.9% to the overall shop price figure, and **inflation** fell to 4.4% in September. This is below the 12-month and 6-month average price growth rates of 5.0%. There was a sharp price rise in items of books, stationery & home entertainment, preventing further declines in non-food inflation.

Non-Food

4.4%

September, YOY change

% Change	Food		Fresh		Ambient	
	On last year	On last month	On last year	On last month	On last year	On last month
Sep-23	9.9	-0.1	9.6	-0.3	10.4	0.1
Aug-23	11.5	0.6	11.6	0.0	11.3	1.3

FRESH FOOD

Fresh Food inflation decelerated in September to 9.6%, down from 11.6% in August. This is below the 12-month and 6-month average price growth rates of 14.4% and 14.0%, respectively.

Month-on-month Fresh food prices fell by 0.3%.

September UK Dairy wholesale prices (see chart) saw monthly price increases in three categories. The exception was Mild Cheddar, decreasing in price by 2.1%. In contrast, Butter prices rose 0.8%, Skim Milk Powder by 0.5% and Bulk Cream by 1.5%. In annual terms, prices remained lower across all dairy categories.

AMBIENT FOOD

Ambient Food inflation decelerated to 10.4% in September, down from 11.3% in August. Inflation in this category remains elevated. This is above the 12-month and 6-month average price increases of 11.3% and 12.0%, respectively.

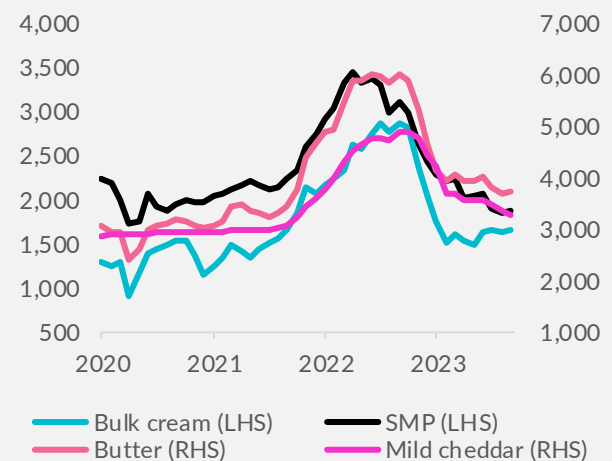
Month-on-month ambient food price growth was 0.1%, following a sharp increase in the preceding month.

UK WHOLESALE DAIRY PRICES, SEPTEMBER 2023

	Bulk cream	Butter	Skim Milk Powder	Mild cheddar
YoY	-42%	-38%	-40%	-33%
MoM	1.5%	0.8%	0.5%	-2.1%

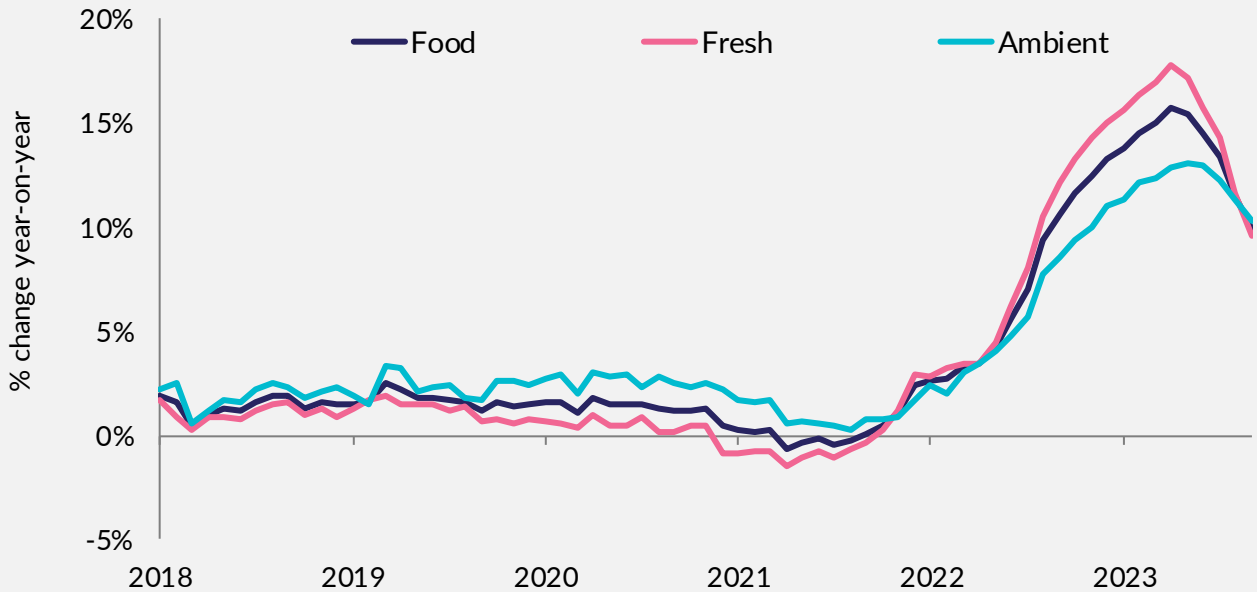
Source: Agricultural & Horticulture Development Board Dairy.

UK WHOLESALE DAIRY PRICES, SEPTEMBER 2023



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 September, though no deflation in items was recorded.

The lowest price increase in vegetables was 53% for cauliflower and the largest price rise was 765% for cherry tomatoes.

Fruit inflation also varied, with Raspberries showing the highest increase at 160% and Bramley's apples showing the lowest increase at 67%.

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

Cauliflower	53%
Turnip	65%
Beans	67%
Apples	67%
Cucumbers	69%
Blueberries	157%
Swede	160%
Raspberries	161%
Plum Tomatoes	170%
Cherry Tomatoes	765%

Source: DEFRA wholesale prices of home-grown produce in England and Wales. September 2023 prices are average of prices in weeks ending: 01/09, 08/09, 15/09 and 22/09.

	SEPTEMBER-23		AUGUST-23	
	On last year	On last month	On last year	On last month
Clothing & Footwear	-0.3	-0.5	0.0	2.0
Electrical	-0.5	-0.2	-1.1	0.0
Health & Beauty	5.3	0.6	5.8	-0.2
Other Non-Food	6.5	0.5	6.4	0.4
Books, Stationery & Home Entertainment	3.3	1.5	1.2	-0.2
Furniture & floor covering	6.2	0.2	6.8	0.0
DIY, Gardening & Hardware	5.4	-0.5	6.5	0.2
Total NON-FOOD	4.4	0.1	4.7	0.4

NON-FOOD

Non-Food inflation eased to 4.4% in September. This is below the 12-month and 6-month average price increase of 5.0%. Inflation fell or remained in deflation across five of the seven categories (exceptions being other non-food, and books, stationery & home entertainment) in the index's basket of goods. On the month, overall Non-Food prices rose very slightly though prices fell in three out of the seven categories of the index.

Clothing & Footwear prices were 0.3% lower over the previous year, compared to 0.0% in August. This is below the 12-month and the 6-month average price decrease of -0.2% and increase of -0.2%, respectively. Deflation accelerated for **Women's Clothing, Other Clothing** and **Men's Clothing**. **Baby** and **Children's Clothing**, as well as **Footwear**, are the three constituent clothing categories showing signs of inflation, though decelerating for each category bar **Footwear**. Month-on-month, headline prices fell by 0.5%.

Electricals prices was the only other category to have fallen over the previous year, by -0.5%. This was in-line with the 12-month but above the 6-month average price decreases of -0.5% and -0.6%, respectively. **Audio-Visual Equipment** saw deflation decelerate, as well as **Household Appliances**. Month-on-month, headline prices fell by 0.2%.

Health & Beauty inflation eased to 5.3% in September. This is above the 12-month and below the 6-month average price growth rates of 5.2% and 5.9%, respectively. This remains near all-time highs for this category. Inflation for **Toiletries & Cosmetics** accelerated while for **Personal Care** it decelerated. Month-on-month, headline prices increased by 0.6%.

	SEPTEMBER-23		AUGUST-23	
	On last year	On last month	On last year	On last month
Clothing & Footwear	-0.3	-0.5	0.0	2.0
Electrical	-0.5	-0.2	-1.1	0.0
Health & Beauty	5.3	0.6	5.8	-0.2
Other Non-Food	6.5	0.5	6.4	0.4
Books, Stationery & Home Entertainment	3.3	1.5	1.2	-0.2
Furniture & floor covering	6.2	0.2	6.8	0.0
DIY, Gardening & Hardware	5.4	-0.5	6.5	0.2
Total NON-FOOD	4.4	0.1	4.7	0.4

NON-FOOD (cont.)

Other Non-Food inflation accelerated to 6.5% in September, up from 6.4% in August. This is above the 12-month average of 6.4% but below the 6-month average of 6.7%. **Pets, Related Products & Services** and **Non-Durable Household Goods** inflation did decelerate but accelerated for **Recreation & Sport, Personal Effects** and **Tobacco**. Month-on-month, headline prices rose by 0.5%.

Books & Stationery inflation picked up to 3.3% in the 12 months to September. This is lower than the 12-month average price increase of 3.8% but above the 6-month average price growth rate of 2.4%. Yearly deflation accelerated in September for **Home Entertainment**. **Stationery** inflation and **Books & Newspapers** price growth accelerated. Month-on-month, headline prices increased by 1.5%.

Furniture inflation slowed to 6.2% in September, down from 7.4% in August. This is below the 12-month average price increase of 7.0% and the 6-month average price increase of 6.8%. Inflation decelerated for both **Furniture & Furnishings** and **Household Textiles**. Month-on-month, headline prices rose by 0.2%.

DIY & Gardening inflation decelerated to 5.4% in the 12 months to September. This is below the 12- and 6-month average price growth rates of 8.5% and 8.1%, respectively. House & Garden products' saw price growth decelerate and Household Utensils also saw it decelerate. Month-on-month, headline prices fell by 0.5%.

UK OUTPUT INFLATION

August Output prices (those for goods leaving the factory) fell by 0.4% compared to the same point last year, up from 0.7% in July 2023.

Of the ten product groups, nine displayed downward contributions to the change in output inflation in August. Refined petroleum products did provide one of the largest downward contributions to the annual rate and had annual price deflation of 30.0%. This remains lower than a year ago but strong monthly price increases in the price of coke and refined petroleum is putting upward pressure on inflation.

Petroleum products provided the only upward contribution to the change in the output rate.

UK INPUT INFLATION

The largest downward contribution to the annual input inflation rate came from inputs of crude oil, which contributed -1.8 percentage points of the overall -2.3% figure (there were compensating positive contributions), with this particular category exhibiting an annual price decrease of 21.8% in August 2022, though in monthly terms prices rose 12.1%, with global oil prices picking up again.

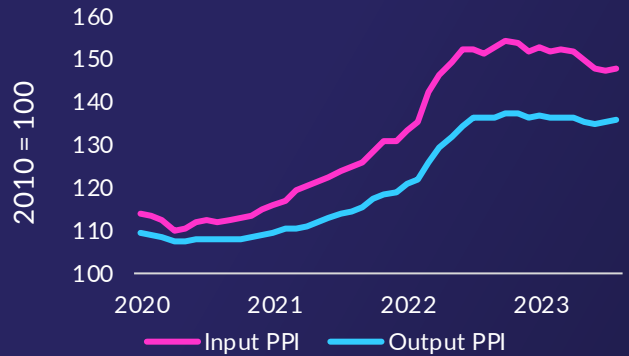
COMMODITY PRICE INDEX

Global Commodity prices rose over September and are now higher than a year ago. Since the June 2022 peak, prices had fallen by 8.6% 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 6.7% higher than over the previous three months. Prices are 2.1% higher than in the previous year. 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

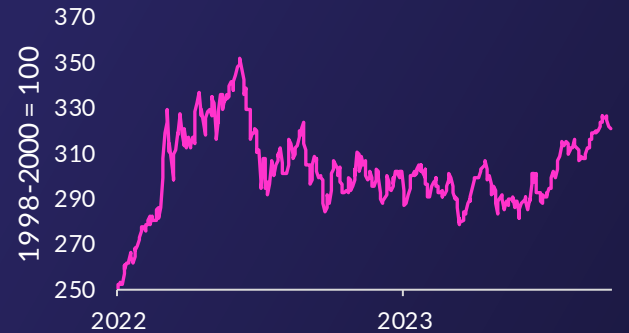
Global food prices increased by 1.3% in August 2023 to average 123.9 points, up from 122.4 in the preceding month. The August drop was driven by a strong monthly increase in vegetable oils, particularly sunflower. In contrast, sugar prices decreased in the latest reference period, as well as cereals and dairy products.

PRODUCER PRICE INDEX (PPI)



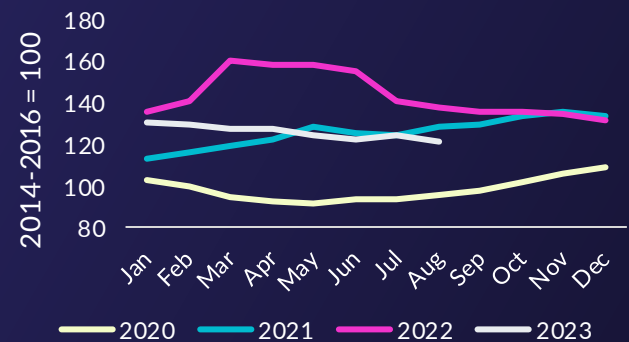
Source: ONS

COMMODITY PRICE INDEX



Source: Refinitiv (formerly Thomson Reuters)

GLOBAL FOOD PRICE INDEX



Source: UN, The Food and Agricultural Organisation

GLOBAL FOOD PRICES - AUGUST

Global food prices (according to the United Nations) increased by 1.3%, following a decrease of 1.4% in the preceding month. Prices more broadly have settled down from the all-time record in September 2022, and prices are 11.8% lower than a year ago. The August increase was led by a strong monthly increase in vegetable oils.

SUGAR

Prices rose 34.1% year-on-year



Sugar prices increased by 1.3% on the month, an increase following two consecutive months of declines, with prices generally remaining high. This month's increase was primarily due to concerns surrounding El Nino's effect on crops over the 2023/24 season as well as more recent dry weather in India and Thailand, affecting crop yields.

MEAT

Prices fell -5.4% year-on-year



Meat prices decreased by 5.4% on the year and decreased 3.0% on the month. World prices for meats decreased, reflecting higher export availabilities of all meats, helped by weaker import demand from China. Prices for poultry meat also declined given higher export availabilities, despite persistent impacts from avian influenza.

DAIRY

Prices fell 22.4% year-on-year



In August, prices for dairy products decreased, and remained lower than a year ago. The decline last month was led by lower quotations for all dairy products, following subdued summer demand in Europe. Whole milk powder prices fell by the most, following a slowdown in demand from China as well as strong seasonal production in Oceania.

CEREALS

Prices decreased 14.1% year-on-year



The decrease reflected falls in most major cereals, in particular international wheat, coarse grain and sorghum, helped by higher seasonal availability from ongoing harvests. Maize in addition was helped by harvest prospects in the United States. In contrast, rice prices rose, reaching a 15 year high, following India's ban on rice exports, as it attempts to stem high domestic food inflation.

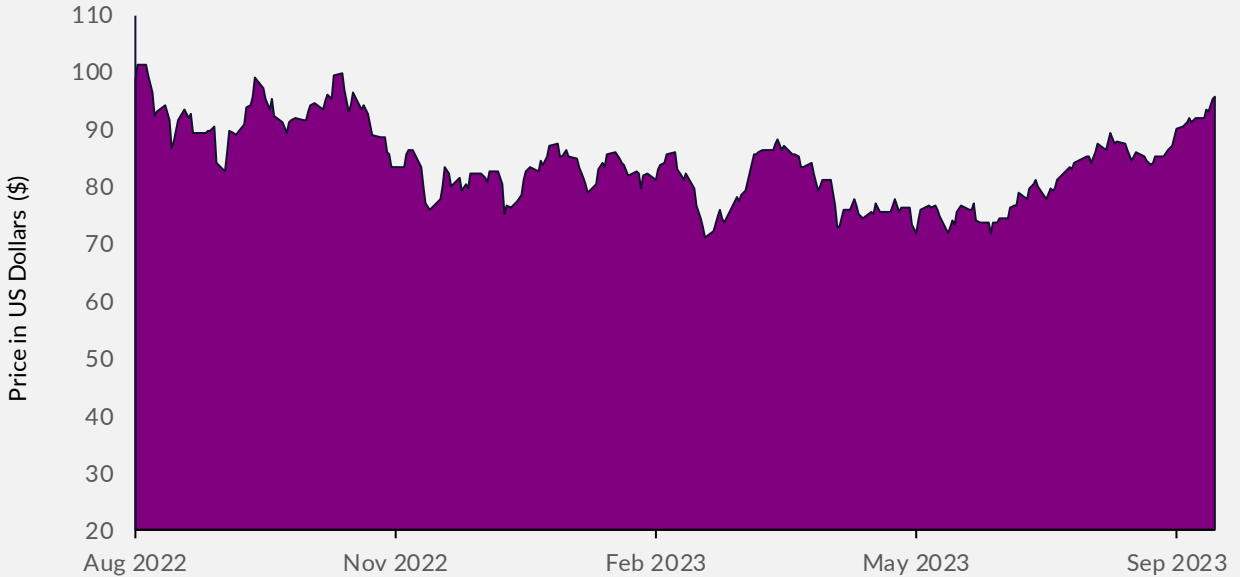
VEGETABLE OILS

Prices fell 23.0% year-on-year



Vegetable Oils prices fell by 23.0% on the year and fell 3.1% on the month. Following a sharp rise in the preceding month, this was a welcome fall to assuage concerns of resurgent food inflation. Price quotations fell across sunflower, palm, soy and rapeseed oils. Sunflower oil prices, in particular, fell by 8% on the month, with the end of the Black Sea Grain Initiative having a limited impact, amidst subdued demand and abundant global supplies.

GLOBAL BRENT CRUDE, DAILY SPOT PRICE



Source: US Energy Information Administration

OIL PRICES

In September, oil prices rose, averaging around \$91 per barrel, having peaked at over \$130 per barrel in the immediate aftermath of Russia's invasion of Ukraine. The increase followed production cuts by the OPEC cartel of oil producers. Heightening recession risks, as the global financial system's robustness comes into question, is placing downward pressure on prices, though production cutbacks are providing considerable price support.

The OPEC group announced a surprise cut on 2nd August, an agreement to cut the production of oil by a further 1 million barrels per day until the end of 2024 in a response to price falls, pushing up oil prices.

The oil cartel's next meeting takes place on 26th November 2023, to determine output levels for 2025.

September YoY change

-2%

September MoM change

+6%

HEADLINE YEAR-ON-YEAR CHANGE

Y-O-Y Change	OVERALL	NON-FOOD	FOOD	FRESH	AMBIENT
Sep-22	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	8.4	5.3	14.5	16.3	12.2
Mar	8.9	5.9	15.0	17.0	12.4
Apr	8.8	5.5	15.7	17.8	12.9
May	9.0	5.8	15.4	17.2	13.1
Jun	8.4	5.4	14.6	15.7	13.0
Jul	7.6	4.7	13.4	14.3	12.3
Aug	6.9	4.7	11.5	11.6	11.3
Sep-23	6.2	4.4	9.9	9.6	10.4

HEADLINE MONTH-ON-MONTH CHANGE

M-O-M Change	OVERALL	NON-FOOD	FOOD	FRESH	AMBIENT
Sep-22	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	0.8	0.7	1.0	1.2	0.6
Mar	0.8	0.7	0.9	0.7	1.2
Apr	0.2	-0.1	0.8	0.7	0.9
May	0.5	0.5	0.5	0.3	0.6
Jun	0.2	0.0	0.5	0.6	0.4
Jul	-0.1	-0.2	0.3	0.4	0.1
Aug	0.5	0.4	0.6	0.0	1.3
Sep-23	0.0	0.1	-0.1	-0.3	0.1

CATEGORY YEAR-ON-YEAR CHANGE

Y-O-Y Change	Clothing & Footwear	Furniture & floor covering	Electrical	DIY, Gardening & Hardware	Books, Stationery & Home Ents	Health & Beauty	Other Non-Food
Sep-22	-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	1.1	6.1	-0.1	9.2	5.0	5.0	6.7
Mar	1.4	8.8	-0.3	9.9	5.0	5.3	6.4
Apr	0.6	6.6	-0.6	9.9	3.5	5.7	6.9
May	0.1	7.6	-0.3	10.2	0.6	6.7	7.6
Jun	-0.2	6.8	-0.8	10.0	2.8	6.0	7.2
Jul	-1.3	7.4	-0.2	7.7	3.1	5.8	6.0
Aug	0.0	6.8	-1.1	6.5	1.2	5.8	6.4
Sep-23	-0.3	6.2	-0.5	5.4	3.3	5.3	6.5

CATEGORY MONTH-ON-MONTH CHANGE

M-O-M Change	Clothing & Footwear	Furniture & floor covering	Electrical	DIY, Gardening & Hardware	Books, Stationery & Home Ents	Health & Beauty	Other Non-Food
Sep-22	-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	1.1	0.3	0.7	0.9	-0.7	0.2	1.2
Mar	0.4	2.9	-0.1	0.8	0.3	0.1	-0.2
Apr	-0.8	-1.1	-0.4	0.1	0.0	0.9	0.6
May	-0.4	1.5	0.6	0.1	-2.4	0.1	1.1
Jun	-0.2	0.0	-0.9	0.4	2.1	0.4	-0.3
Jul	-1.5	0.2	0.0	0.0	0.7	0.3	-0.4
Aug	2.0	0.0	0.0	0.2	-0.2	-0.2	0.4
Sep-23	-0.5	0.2	-0.2	-0.5	1.5	0.6	0.5

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
Sep-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
Oct	106.7	160.0	154.7	167.8	84.7	36.3	98.7	59.0	117.7	109.7	122.9	119.7
Nov	107.7	162.1	157.2	169.3	85.3	36.3	98.8	59.0	118.6	109.0	124.1	121.8
Dec	108.0	163.8	159.5	170.3	85.3	36.4	98.1	58.5	119.5	110.4	124.5	121.4
Jan	108.8	165.9	160.8	173.6	85.6	35.9	99.1	58.6	119.9	110.9	125.6	122.3
Feb	109.7	167.5	162.8	174.6	86.2	36.3	99.3	59.0	121.0	110.1	125.9	123.7
Mar	110.5	169.1	164.0	176.7	86.8	36.4	102.2	59.0	122.0	110.5	126.1	123.4
Apr	110.7	170.4	165.1	178.3	86.7	36.1	101.1	58.7	122.1	110.5	127.1	124.1
May	111.2	171.2	165.6	179.4	87.1	36.0	102.6	59.1	122.2	107.8	127.2	125.5
Jun	111.4	172.1	166.6	180.2	87.1	35.9	102.6	58.6	122.7	110.1	127.8	125.1
Jul	111.4	172.5	167.2	180.4	86.9	35.4	102.8	58.5	122.7	110.8	128.2	124.6
Aug	111.9	173.5	167.3	182.7	87.3	36.1	102.8	58.5	123.0	110.6	128.0	125.1
Sep-23	112.0	173.3	166.9	182.9	87.4	35.9	103.0	58.4	122.4	112.2	128.7	125.7

About this monitor

The index provides an indicator of the direction of price changes in retail outlets across the UK. 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.

The sample includes superstores on out-of-town sites, town centre stores, local parade stores, 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 500 item list 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.

6,500-7,000 prices are collected each period. Each product class has an individual weighting based on the “All households” expenditure measured in the Family Expenditure Survey.

The Shop Price Index is more focused than the Retail Price Index and Consumer Prices Index, as it excludes services and household costs, and thus shows the extent that retailers contribute to inflation through pricing of a range of commonly bought goods.

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