



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

A summary of key pressures on  
future prices

# SHOP PRICE MONITOR

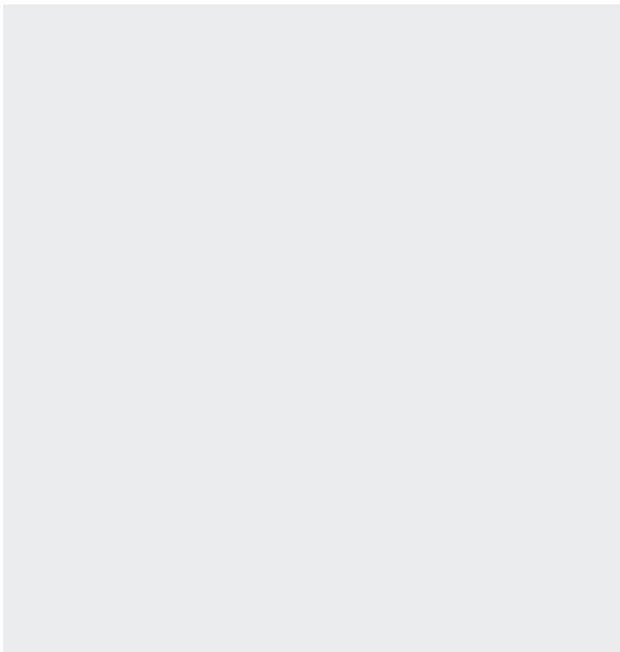
Period covered: 01-07 February 2026

Strictly embargoed until 0.01hrs, Tuesday 3<sup>rd</sup> March 2026

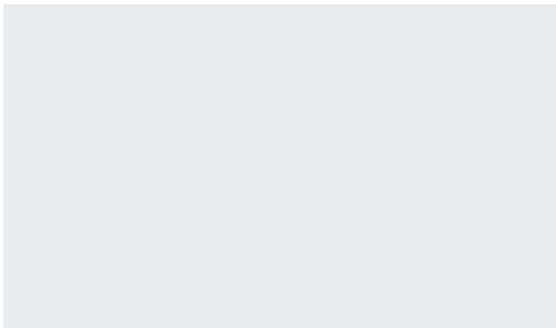
**FEBRUARY 2026**



# Contents



3	HEADLINE COMMENTARY
4	EXECUTIVE SUMMARY
5	OVERVIEW
7	FOOD & NON-FOOD
12	COMMODITIES
13	GLOBAL FOOD
14	OIL PRICES
15	METHODOLOGY



# Headline commentary



“Households got some welcome relief in February as shop price inflation eased. Fierce competition between retailers kept price rises in check, with promotions across health, beauty and fashion. Falling global food costs also fed through, pushing food inflation down, with ambient food inflation dropping to its lowest level in four years.

“While the direction of travel is promising, prices are still rising, and many consumers remain under pressure. Retail operates on thin margins yet has faced relentless tax rises in recent years. The Employment Rights Act could add further complexity if secondary legislation is implemented without an eye firmly on the potential consequences for the cost of doing business and hence the cost of living. Poor implementation decisions by government would stymie job creation and push inflation back up.”

**Helen Dickinson OBE | Chief Executive | British Retail Consortium**



“Since the start of the year, we have seen some competitive pricing across both the food and non-food channels which is helping to bring down inflation. Whilst the inclement weather and weak sentiment is making consumer demand rather unpredictable for retailers, at least shoppers are now seeing some of their cost-of-living pressures start to ease.”

**Mike Watkins | Head of Retailer and Business Insight | NIQ**

# Executive Summary

Shop prices were flat on the month, with both food and non-food prices registering no growth. Whilst fresh food prices did pick up, ambient prices stepped back, bringing ambient inflation to its lowest since February 2022. Non-food prices rose in most categories, however, steep declines across health and beauty and other non-food prices counter-balanced punchy increases in furniture and flooring, as well as electricals.

Commodity prices saw a slight increase on the month, with metals such as gold and silver driving most of the increase. Food prices at a global level continue to reduce, likely to place downward pressure on inflation in imported food. Nonetheless, inflation will likely remain positive at a headline level, remaining vulnerable to domestic policy factors.

## All prices

Shop price inflation decreased to 1.1% year on year in February, against growth of 1.5% in January. This is in-line with the 3-month average of 1.1%.

# 1.1%

% change year-on-year

## Non-Food

Non-Food prices fell 0.1% year on year in February, against growth of 0.3% in January. This is above the 3-month average of -0.2%.

# -0.1%

% change year-on-year

## Food

Food inflation decreased to 3.5% year on year in February, against growth of 3.9% in January. This is in line with the 3-month average of 3.5%.

# 3.5%

% change year-on-year

## Fresh

Fresh Food inflation decreased to 4.3% year on year in February, against growth of 4.4% in January. This is above the 3-month average of 4.2%.

# 4.3%

% change year-on-year

## Ambient

Ambient Food inflation decreased to 2.3% year on year in February, against growth of 3.1% in January. This is below the 3-month average of 2.6%.

# 2.3%

% change year-on-year

% Change	Overall SPM		Food		Non-Food	
	On last year	On last month	On last year	On last month	On last year	On last month
Feb-26	1.1	0.0	3.5	0.0	-0.1	0.0
Jan-26	1.5	0.4	3.9	1.1	0.3	0.1

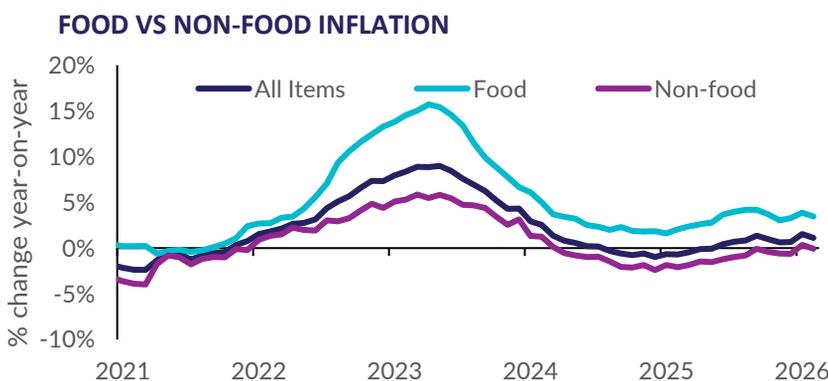
## AMBIENT INFLATION LOWEST SINCE EARLY 2022

Shop price inflation eased in February, falling to 1.1%. The main driver behind this was a reduction in ambient food prices on the month, whereas non-food prices were broadly flat. Fresh food prices did pick up on the month, and inflation remains higher in this category, whereas ambient inflation has firmly pulled back, now its lowest since the onset of the cost of living crisis in 2022.

Whilst non-food prices were flat on the month, prices picked up in four out of the seven categories. Furniture and flooring, as well as electrical items, saw strong monthly price increases, whereas, in contrast, health and beauty as well as other non-food prices reduced. Nonetheless, only three categories remain in annual deflation: clothing and footwear, electricals and DIY goods.

Indeed, price pressures appear to be emerging in non-food products, more so than over the past couple of years, where a prolonged period of heightened promotional activity has helped to drive growth in volumes for non-food items. However, inflation in this category is likely to remain below that for food, although we forecast it will be higher than the average rate over 2025.

Labour costs burdens remain high, and this is expected to ratchet up further with another increase in the National Living Wage and the Employment Rights Act firmly on the horizon. Retailers have, however, had some respite in easing input costs (particularly food) and a stronger pound. However, domestic food inflation remains elevated, and any reduction in inflationary pressures will be gradual.



Source: BRC-NIQ

## Shop Price Inflation steps back



% Change	Overall SPM		Food		Non-Food	
	On last year	On last month	On last year	On last month	On last year	On last month
Feb-26	1.1	0.0	3.5	0.0	-0.1	0.0
Jan-26	1.5	0.4	3.9	1.1	0.3	0.1

## OIL PRICES PICK UP IN FEBRUARY

Consumer price inflation in the UK fell to 3.0% in January, down from 3.4% in December. Across the economy, prices are 28.5% higher than pre-Covid (February 2020) levels. We expect inflation to ease more dramatically over the first and second quarters of this year, potentially closer to 2.5% than 3%. However, services inflation remains elevated, and food inflation is expected to remain sticky, keeping the rate of inflation above the 2% target rate.

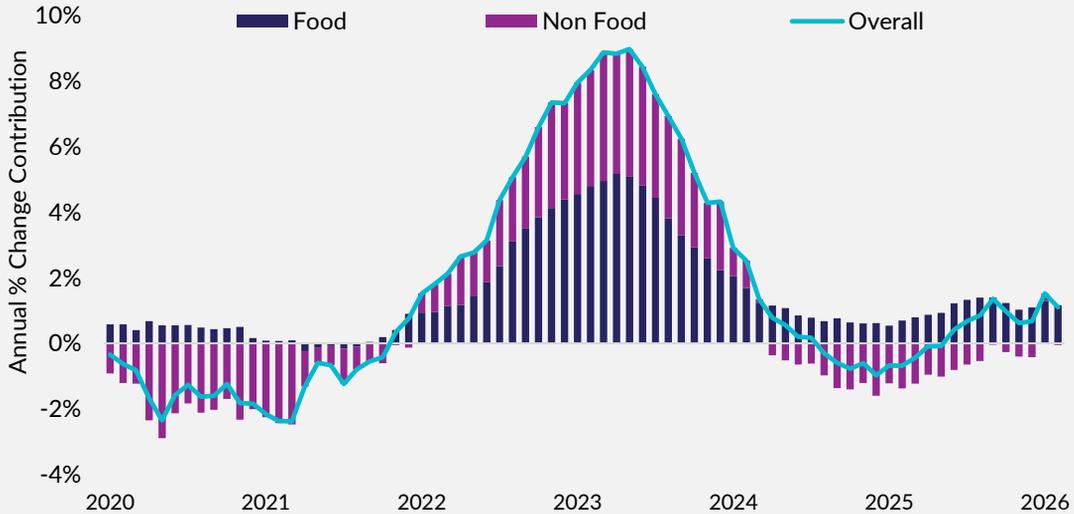
As domestic pressures ease, global factors point towards an uptick in geopolitical volatility. As a result, there was a surge in the New York Fed's Global Supply Chain Pressure Index (calculated by the US Federal Reserve), above 0, the highest since the start of 2023 and an indication of worsening supply-chain conditions. Moreover, commodity prices have continued to tick up slightly over the past few months.

Following the U.S. Supreme Court's February 2026 ruling striking down the administration's tariff measures, the outlook for U.S. trade policy remains uncertain. Nonetheless, the United States has continued to issue renewed tariff threats toward the UK and the EU. Global economic growth remains likely to slow down, and this may push down on energy prices, in the quarters ahead. The near-term trajectory of price movements remains highly uncertain, but in the medium term, it is likely that some commodities will experience deflation (it is beginning to be seen in food).

Focusing specifically on oil, prices have risen sharply amid escalating conflict involving Iran, with disruptions around the Strait of Hormuz pushing Brent crude toward the high-\$70s and adding a substantial geopolitical risk premium. Continued instability in the region is now likely to place upward, rather than downward, pressure on fuel costs and consumer prices in the near term.

Looking further down the supply-chain, into the domestic sphere, the producer price inflation series suggest output (goods leaving the factory-gate) inflation remains higher than input (cost of raw materials) inflation. Official data on domestic and imported food inputs points to lingering annual cost pressure concentrated in domestically produced food. Coupled with elevated labour costs and tax burdens, these factors are keeping upward pressure on consumer prices, with some of the strain still feeding through to in-store pricing.

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



Source: BRC-NIQ

## FOOD

**Food** contributed 1.1% to the overall shop price figure, and **inflation** slowed in February to 3.5%. This is above the 12-month average and below the 6-month average price growth rates of 3.4% and 3.6%, respectively.

Food

**3.5%**

February, YOY change

## NON-FOOD

**Non-Food** contributed -0.1% to the overall shop price figure, and **re-entered deflation** at -0.1% in February. This is above the 12-month and the 6-month average price growth rates of -0.8% and -0.2%, respectively.

Non-Food

**-0.1%**

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-26	3.5	0.0	4.3	0.2	2.3	-0.3
Jan-26	3.9	1.1	4.4	0.7	3.1	1.5

## FRESH FOOD

Fresh Food inflation decreased to 4.3% year on year in February, against growth of 4.4% in January. This is above the 12-month and 6-month average price inflation rates of 3.4% and 4.1%, respectively.

Month-on-month, Fresh food prices increased by 0.2%.

February UK Dairy wholesale prices (see chart) saw monthly price increases in all four categories. Prices rose 12.7% for Skim Milk Powder, 5.5% for Bulk Cream, 2.1% for Mild Cheddar and 1.9% for Butter. In annual terms, prices were lower in all categories except Skim Milk Powder.

## AMBIENT FOOD

Ambient Food inflation decreased to 2.3% year on year in February, against growth of 3.1% in January. This is below the 12-month and 6-month average price inflation rates of 3.5% and 2.9%, respectively.

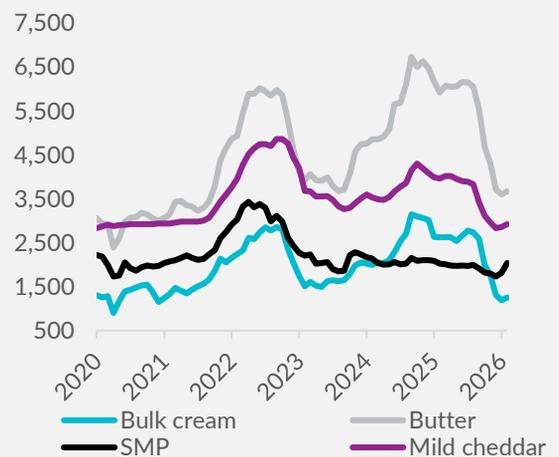
Month-on-month, ambient food prices decreased by 0.3%.

## UK WHOLESALE DAIRY PRICES, FEBRUARY 2026

	Bulk cream	Butter	Skim Milk Powder	Mild Cheddar
YoY	-52.4%	-38.0%	1.0%	-26.3%
MoM	5.5%	1.9%	12.7%	2.1%

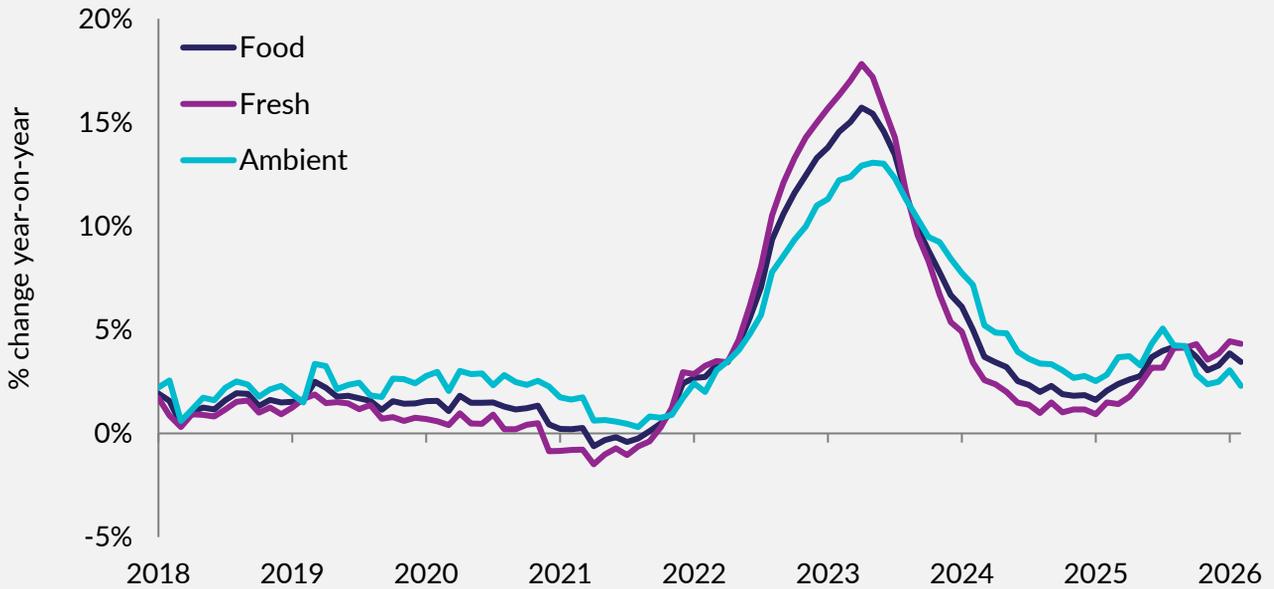
Source: Agricultural & Horticulture Development Board Dairy.

## UK WHOLESALE DAIRY PRICES, FEBRUARY 2026



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 largest price decrease in vegetables was 31% for Cauliflower, and the largest price rise was 11% for Rhubarb.

Fruit inflation also varied, with Apples (Egremont Russet) again showing the highest increase at 18% and Apples (Other Late Season) showing the biggest decrease at -17%.

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

Cauliflower	-31%
Spring greens (Pre-packed)	-30%
Tulips	-30%
Swede	-22%
Apples (Other Late Season)	-17%
Lettuce (Little Gem)	9%
Carrots (Topped Washed)	10%
Turnip	11%
Rhubarb (Forced)	11%
Apples (Egremont Russet)	18%

Source: DEFRA wholesale prices of home-grown produce in England and Wales. February 2026 prices are an average of prices in weeks ending: 2/02 and 16/02.

	February-26		January-26	
	On last year	On last month	On last year	On last month
Clothing & Footwear	-2.9	-0.4	-3.6	-0.1
Electrical	-1.5	1.2	-0.6	-0.2
Health & Beauty	1.1	-0.9	3.0	0.9
Other Non-Food	0.9	-0.8	1.5	1.2
Books, Stationery & Home Entertainment	0.6	0.2	0.0	1.1
Furniture & floor covering	0.9	1.6	1.1	-1.1
DIY, Gardening & Hardware	-0.5	0.4	-0.2	-1.0
<b>Total NON-FOOD</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.3</b>	<b>0.1</b>

## NON-FOOD

**Non-Food** prices fell 0.1% year on year in February, against growth of 0.3% in January. This is above the 12-month and 6-month average price deflation rates of -0.8% and -0.2%, respectively. Three of the sub-categories remained in deflation and four remained in inflation. On the month, overall Non-Food prices were flat, but prices rose on the month in four of the seven categories of the index.

**Clothing & Footwear** prices fell 2.9% year on year in February, against a decline of 3.6% in January. This is above the 12-month and 6-month average rates of -6.3% and -5.0%, respectively. **Baby** clothing entered slight inflation, **Footwear** re-entered deflation, whereas **Men's**, **Women's**, **Children's**, as well as **Other Clothing** remained in deflation (children's clothing saw the steepest price reductions). Month-on-month, headline prices fell 0.4%.

**Electricals** prices fell 1.5% year on year in February, against a decline of 0.6% in January. This is above the 12-month and 6-month average rates of -2.0% and -1.7%, respectively. **Audio-Visual Equipment** deflation slowed, and **Household Appliances** re-entered deflation. Month-on-month, headline prices rose by 1.2%.

**Health & Beauty** inflation decreased to 1.1% year on year in February, against growth of 3.0% in January. This is below the 12-month and 6-month average rates of 2.8% and 2.2%, respectively. Inflation slowed for **Personal Care** and for **Toiletries & Cosmetics**. Month-on-month, headline prices fell 0.9%.

	February-26		January-26	
	On last year	On last month	On last year	On last month
Clothing & Footwear	-2.9	-0.4	-3.6	-0.1
Electrical	-1.5	1.2	-0.6	-0.2
Health & Beauty	1.1	-0.9	3.0	0.9
Other Non-Food	0.9	-0.8	1.5	1.2
Books, Stationery & Home Entertainment	0.6	0.2	0.0	1.1
Furniture & floor covering	0.9	1.6	1.1	-1.1
DIY, Gardening & Hardware	-0.5	0.4	-0.2	-1.0
<b>Total NON-FOOD</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.3</b>	<b>0.1</b>

### NON-FOOD (cont.)

**Other Non Food** inflation decreased to 0.9% year on year in February, against growth of 1.5% in January. This is above the 12-month but below the 6-month average rates of 0.3% and 1.0%, respectively. **Tobacco** inflation slowed, and for **Non-Durable Household Goods** re-entered inflation. **Pets, Related Products & Services** and **Recreation & Sport** inflation slowed, whereas **Personal Effects** deflation slowed. Month-on-month, headline prices fell by 0.8%.

**Books, Stationery & Home Entertainment** inflation increased to 0.6% year on year in February, against a decline of 0.0% in January. This is above the 12-month but in line with the 6-month average rates of 0.5% and -0.6%, respectively. Yearly deflation accelerated for **Home Entertainment; Stationery** products inflation picked up, and **Books & Newspapers** entered inflation. Month-on-month, headline prices rose by 0.2%.

**Furniture & Flooring** inflation decreased to 0.9% year on year in February, against growth of 1.1% in January. This is above the 12-month and 6-month average rates of -0.7% and 0.4%, respectively. **Furniture, Furnishings & Carpets** inflation slowed, and **Household Textiles** entered inflation. Month-on-month, headline prices increased by 1.6%.

**DIY, Gardening & Hardware** inflation decreased by 0.5% year on year in February, against a decline of -0.2% in January. This is below the 12-month and 6-month average rates of 0.3% and 0.4%, respectively. **House & Garden products** and **Household Utensils** deflation picked up. Month-on-month, headline prices rose 0.4%.

## UK OUTPUT INFLATION

January output prices (factory gate prices) rose by 2.5% year-on-year, easing from a revised 3.1% increase in December 2025. On a monthly basis, output prices were unchanged, following a small fall the previous month.

In annual terms, food products provided the largest upward contribution to output inflation, with prices rising 3.4% over the year. Other components recorded mixed movements, resulting in a softer overall headline rate compared with late 2025.

## UK INPUT INFLATION

January input prices (materials and fuels purchased by manufacturers) fell by 0.2% year-on-year, shifting from a revised 0.5% increase in December 2025. On a monthly basis, input prices rose by 0.4%, following a fall the previous month.

The largest downward contribution to annual input inflation came from crude oil, where prices fell 23.8% over the year. Other components recorded mixed movements, with easing global commodity pressures helping to pull down the headline input inflation rate.

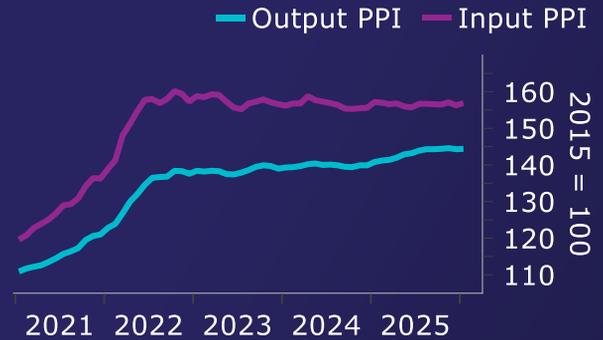
## COMMODITY PRICE INDEX

Global Commodity prices rose slightly over February and are 5.2% higher than a year ago, 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 2.5% higher than over the previous three months. 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

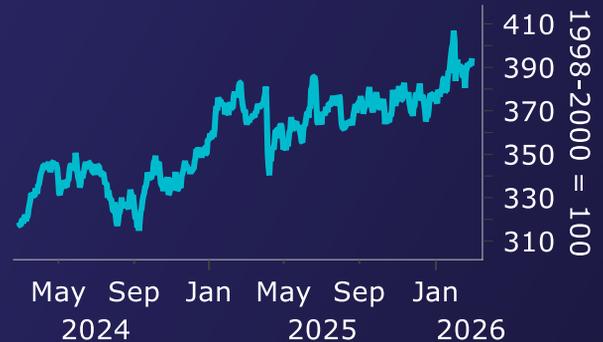
The FAO Food Price Index averaged 123.9 points in January, down from December's revised level. Declines in dairy, meat and sugar outweighed rises in cereals and vegetable oils. The index now sits slightly below its level a year earlier but remains more than one-fifth below the peak reached in March 2022.

## PRODUCER PRICE INDEX (PPI)



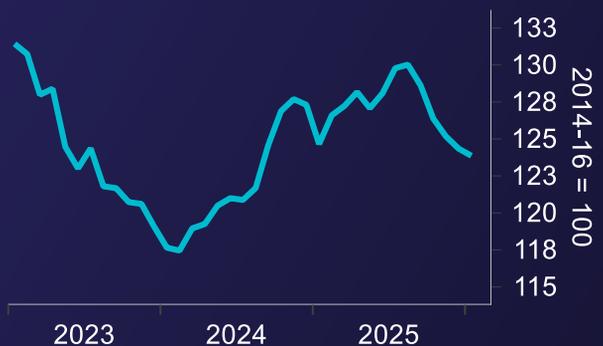
Source: ONS

## COMMODITY PRICE INDEX



Source: Macrobond

## GLOBAL FOOD PRICE INDEX



Source: UN, The Food and Agricultural Organisation

## GLOBAL FOOD PRICES - JANUARY

In January 2026, the FAO Food Price Index edged down to 123.9 points, a 0.4% fall from December's revised figure. Lower prices for dairy, meat and sugar outweighed rises in cereals and vegetable oils. The index now sits 0.6% below its level a year ago and remains nearly 23% beneath the peak recorded in March 2022.

### SUGAR

Prices fell 19.2% year-on-year



Sugar prices fell 1.0% month on month, resuming their downward trend after December's gain. The decline reflected expectations of larger global supplies, with India's production rebound and favourable Thai crop prospects adding pressure. Brazil's outlook also remained positive overall, despite a smaller share of sugarcane being directed towards sugar output.

### MEAT

Prices rose 6.1% year-on-year



Meat prices dipped 0.4% month on month in January, extending the modest fall seen in December. Pork led the declines amid softer EU quotations and subdued demand, while lamb and beef held broadly stable despite seasonal shifts in supply. Poultry bucked the trend, rising again on strong international demand, particularly for Brazilian exports.

### DAIRY

Prices fell 14.9% year-on-year



Dairy prices dropped 5.0% on the month, marking a seventh consecutive decline and leaving the index well below year-earlier levels. Cheese and butter saw the sharpest falls, weighed down by abundant supplies in Europe and the US. Milk powders firmed slightly, with skimmed milk powder supported by renewed price-sensitive buying in the Near East and parts of Asia.

### CEREALS

Prices decreased 3.9% year-on-year



Cereal prices edged up 0.2% month on month in January. Wheat was largely steady, with weather concerns in major exporters offset by comfortable global inventories. Maize continued to ease, pressured by ample supplies despite firmer ethanol demand in the US. Barley rose modestly on strong Argentine demand, while rice climbed 1.8% on firmer interest in fragrant varieties.

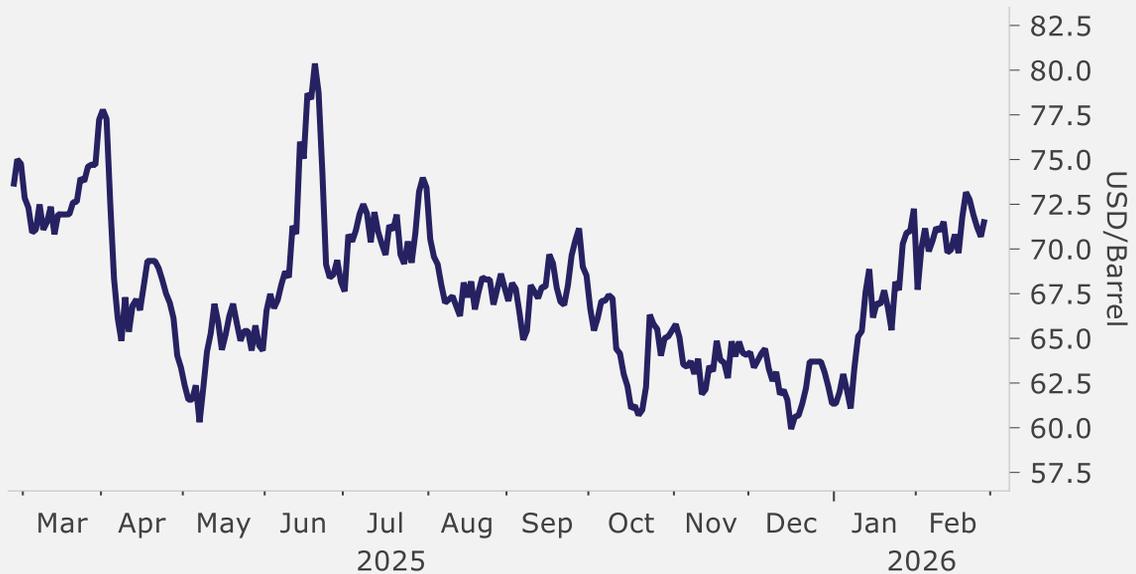
### VEGETABLE OILS

Prices rose 10.2% year-on-year



Vegetable oil prices rose 2.1% (m-o-m), reversing December's slight decline. Palm oil strengthened for a second month amid seasonal production slowdowns and firm global demand. Soya and sunflower oils also rose, supported by tighter export availability in South America and supply constraints in the Black Sea. Rapeseed oil was the outlier, easing slightly on ample EU stocks.

## GLOBAL BRENT CRUDE, DAILY SPOT PRICE



Source: US Energy Information Administration

## OIL PRICES

In February, oil prices fell, averaging (month-to-date) \$70.86 per barrel, with markets balancing recent supply adjustments against firm underlying demand.

OPEC and its partners used the latest Ministerial Meeting to reaffirm the core elements of the Declaration of Cooperation, extending existing production levels through to the end of 2026. Ministers confirmed that the Joint Ministerial Monitoring Committee will continue to review market conditions every two months, with the flexibility to convene additional meetings if required.

The next Joint Ministerial Monitoring Committee (JMCM) meeting will take place on 7 June 2026.

February YoY change

**-6.1%**

February MoM change

**6.8%**

## 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 Monitor 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, NIQ 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 Monitor 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.

### AUTHOR



**HARVIR DHILLON**  
ECONOMIST

For data enquiries, please email [market.intel@brc.org.uk](mailto:market.intel@brc.org.uk)

