



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 December 2025

Strictly embargoed until 0.01hrs, Tuesday 6th January 2026

DECEMBER 2025

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

"Shop price inflation edged up in December as food prices rose at a faster rate. Nonetheless, shoppers still found plenty of value across many Christmas essentials including vegetables, cheeses, and alcohol, helping households to enjoy the festive season. Promotions were also widespread across popular gifting categories, including toys, books, and home entertainment.



This year, retailers will continue to do all they can to keep prices down. While falling energy prices and improved crop supply should help ease some cost pressures, increased public policy costs and regulation will likely keep inflation sticky. 2026 must be the year that Government works with business to create a policy environment that reduces the pressures bearing down on the industry. This will enable retailers to invest more in keeping their prices down, benefitting households all across the country."

Helen Dickinson OBE | Chief Executive | British Retail Consortium

"This Christmas, shoppers remained cautious, prioritising affordability. Retailers worked hard to encourage spending by keeping supply chain price increases to a minimum, and many food retailers reduced prices in December to support demand. Looking ahead to 2026, although inflation has peaked, weak shopper sentiment is likely to persist, so shoppers will continue to seek out lower prices and promotional offers."

Mike Watkins | Head of Retailer and Business Insight | NIQ



Executive Summary

Shop price inflation edged up slightly in December, rising to 0.7% from 0.6% in November, as seasonal discounting continued, but with less intensity than earlier in the quarter. Food remained the main driver, led by fresh items at 3.8% and ambient at 2.5%. Non-food prices stayed in mild deflation at -0.6% though clothing discounts eased compared to November, while electricals saw smaller declines and health and beauty posted modest gains.

Commodity markets offered mixed signals through December. Oil dipped below \$60 a barrel amid oversupply concerns, while gas prices plateaued on winter demand. Softer energy costs and improving crop supply point to easing input pressures into 2026, but persistent wage growth and domestic policy could keep inflation sticky in the near term.

All prices

Shop price inflation picked up to 0.7% year on year in December, against growth of 0.6% in November. This is in line with the 3-month average of 0.7%.

0.7%
% change year-on-year

Non-Food

Non-Food prices were 0.6% lower year on year in December, against a decline of 0.6% in November. This is in line with the 3-month average of -0.6%.

-0.6%
% change year-on-year

Food

Food inflation increased to 3.3% year on year in December, against growth of 3.0% in November. This is in line with the 3-month average of 3.3%.

3.3%
% change year-on-year

Fresh

Fresh Food inflation increased to 3.8% year on year in December, against growth of 3.6% in November. This is below the 3-month average of 3.9%.

3.8%
% change year-on-year

Ambient

Ambient Food inflation increased to 2.5% year on year in December, against growth of 2.4% in November. This is below the 3-month average of 2.6%.

2.5%
% change year-on-year

	Overall SPM		Food		Non-Food	
	% Change	On last year	On last month	On last year	On last month	On last year
Dec-25	0.7	0.0	3.3	0.3	-0.6	-0.1
Nov-25	0.6	-0.1	3.0	-0.3	-0.6	0.0

SHOP PRICE INFLATION PLATEAUES

Shop price inflation remained stable in December, edging up to 0.7%. Food inflation, however, rose for the first time since August, with both ambient and fresh food items rising on the month. Non-food prices remained lower than a year ago, though prices edged down slightly on the month. Ahead of Christmas, retailers opted to reduce prices for electricals and other gifting items.

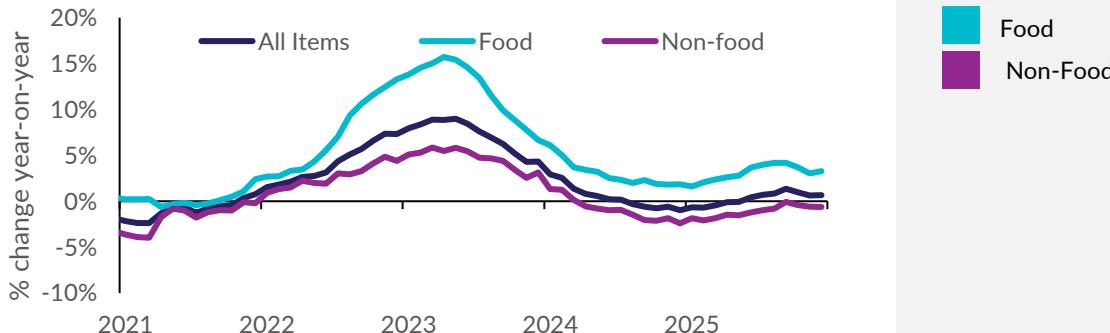
Food prices remain well above pre-pandemic norms and have shown persistent strength throughout the year, driven by supply chain and labour pressures. While growth has moderated from its summer peak, fresh food continues to remain higher, with ambient the lower of the two.

Non-food has been on a slow path toward stabilisation. After a long period of deflation, price declines have narrowed somewhat and have flattened off in the most recent period. Within this, clothing and footwear remain heavily discounted, while categories like health and beauty and other non-food remain in positive territory, suggestive of resilience in these discretionary spending categories.

Business input costs within the domestic supply chain – based on the now-resumed PPI series – saw mild price inflation, in contrast with output prices at the factory gate, currently at 3.4%. Revisions have pushed up producer inflation relative to previously published estimates, and prices in November have settled at significantly elevated levels, with inputs up 34.5% and outputs up 30.9% compared to February 2020.

Shop Price Inflation steps back

FOOD VS NON-FOOD



	Overall SPM		Food		Non-Food	
	% Change	On last year	On last month	On last year	On last month	On last year
Dec-25	0.7	0.0	3.3	0.3	-0.6	-0.1
Nov-25	0.6	-0.1	3.0	-0.3	-0.6	0.0

OIL PRICES SUBDUED IN DECEMBER

UK consumer price inflation eased to 3.4% in November, down from 3.6% in October. Prices across the economy remain 28.5% higher than pre-Covid levels, and inflation is expected to stay above 3% by year-end, despite signs of easing in core components. Food inflation remains elevated, keeping household budgets under strain, while services inflation continues to add persistence to the headline rate.

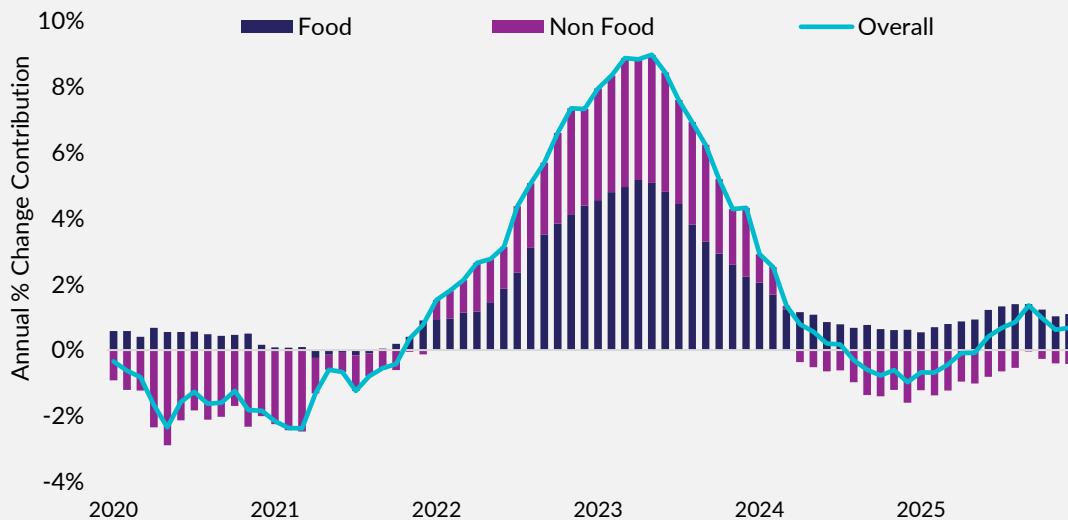
Global supply chain conditions remain broadly stable, with the New York Fed's Global Supply Chain Pressure Index (calculated by the US Federal Reserve) close to zero, indicating near-normal pressures. Commodity prices did pick up slightly over December, with prices for metal products seeing sharp rises.

The prospect of slowing global growth, following the US government's tariff announcements, is, however, weighing on energy prices and will continue to do so further ahead. Ahead, there is likely to be further volatility as the fallout from changing patterns of trade culminates. Deflation may materialise in the medium term, but in the near term, price movements are subject to considerable uncertainty.

Global oil prices fell in December to give an average of \$62.70 a barrel, 1.7% lower than the preceding month. The prospect of a looming economic slowdown is expected to weigh on energy prices, with prices dropping close to the \$60 a barrel mark in mid-December. Easing fuel prices are expected to feed through into consumer prices over the coming months.

Producer price inflation added to upstream cost concerns. Factory gate prices rose 3.4% year-on-year in November, while input costs increased 0.3%. 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** picked up in December to 3.3%. This is above the 12-month but below the 6-month average price growth rates of 3.1% and 3.7%, respectively.

Food

3.3%

December, YOY change

NON-FOOD

Non-Food contributed -0.4% to the overall shop price figure, and **deflation** remained unchanged at -0.6% in December. This is above the 12-month and in line with the 6-month average price growth rates of -1.1% and -0.6%, respectively.

Non-Food

-0.6%

December, YOY change

	Food		Fresh		Ambient	
	% Change	On last year	On last month	On last year	On last month	On last year
Dec-25	3.3	0.3	3.8	0.5	2.5	0.1
Nov-25	3.0	-0.3	3.6	-0.5	2.4	-0.2

FRESH FOOD

Fresh Food inflation increased to 3.8% year on year in December, against growth of 3.6% in November. This is above the 12-month but below the 6-month average price inflation rates of 2.8% and 3.9%, respectively.

Month-on-month, Fresh food prices increased by 0.5%.

December UK Dairy wholesale prices (see chart) saw monthly price decreases in all four categories. Mild cheddar prices decreased by 4.4%, butter prices by 13.5%, Bulk Cream by 25.1%, and Skim Milk Powder prices fell by 3.9% on the month. In annual terms, prices were lower in all four dairy categories.

AMBIENT FOOD

Ambient Food inflation increased to 2.5% year on year in December, against growth of 2.4% in November. This is below the 12-month and 6-month average price inflation rates of 3.5% and 3.5%, respectively.

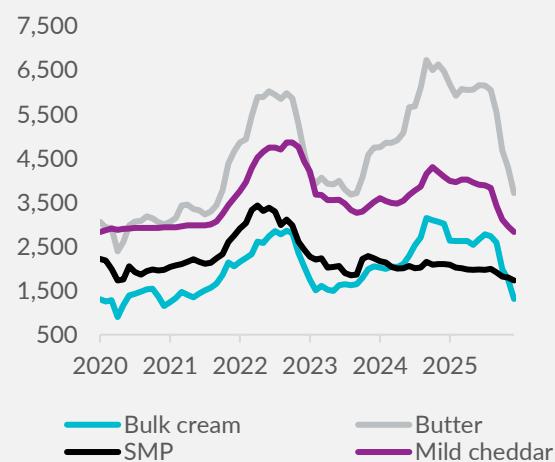
Month-on-month, ambient food prices edged up by 0.1%.

UK WHOLESALE DAIRY PRICES, DECEMBER 2025

	Bulk cream	Butter	Skim Milk Powder	Mild Cheddar
YoY	-56.5%	-42.7%	-17.6%	-30.6%
MoM	-25.1%	-13.5%	-3.9%	-4.4%

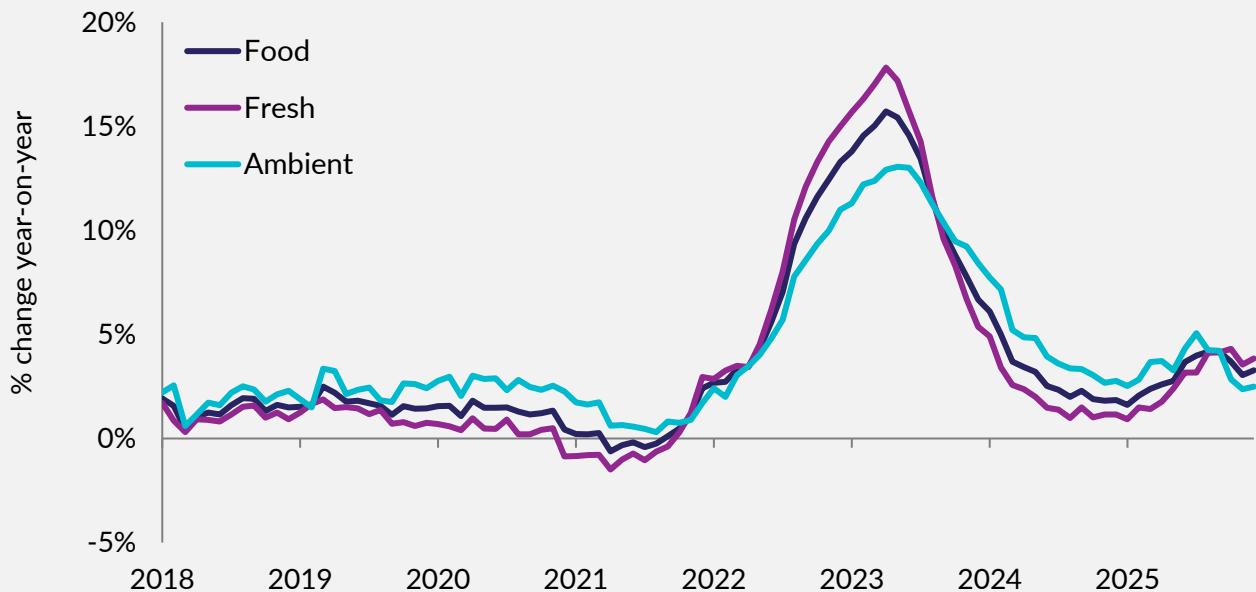
Source: Agricultural & Horticulture Development Board Dairy.

UK WHOLESALE DAIRY PRICES, DECEMBER 2025



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 December.

The largest price decrease in vegetables was 34% for tomatoes (round), and the largest price rise was 40% for calabrese.

Fruit inflation also varied, with strawberries showing the highest increase at 54% and apples showing the biggest decrease at -25%.

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

Tomatoes (Round)	-34%
Apples (Other Late Season)	-25%
Swede	-25%
Cucumbers	-24%
Spring Greens	-22%
Celery	19%
Cabbage	22%
Turnip	28%
Calabrese	40%
Strawberries	54%

Source: DEFRA wholesale prices of home-grown produce in England and Wales. December 2025 prices are an average of prices in weeks ending: 24/11 and 8/12.

	December-25		November-25	
	On last year	On last month	On last year	On last month
Clothing & Footwear	-4.9	0.3	-6.4	0.0
Electrical	-0.5	-0.3	-2.3	-0.3
Health & Beauty	2.0	0.0	1.7	-0.8
Other Non-Food	0.3	-0.6	1.1	0.4
Books, Stationery & Home Entertainment	-1.9	-0.3	-0.9	0.4
Furniture & floor covering	-0.3	0.1	0.5	0.3
DIY, Gardening & Hardware	-0.1	0.3	0.1	-0.6
Total NON-FOOD	-0.6	-0.1	-0.6	0.0

NON-FOOD

Non-Food inflation was unchanged at -0.6% year on year in December, against a decline of -0.6% in November. This is above the 12-month but in line with the 6-month average price deflation rates of -1.1% and -0.6%, respectively. Three of the sub-categories remained in deflation, two remained in inflation and two entered deflation. On the month, overall Non-Food prices edged down 0.1% and prices fell on the month in three of the seven categories of the index.

Clothing & Footwear prices fell 4.9% year on year in December, against a decline of 6.4% in November. This is above the 12-month and 6-month average rates of -7.3% and -5.8%, respectively. Baby's clothing experienced slight inflation whereas **Men's, Women's, Children's**, as well as **Footwear** and **Other Clothing** remained in deflation (women's and children's clothing saw the steepest price reductions). Month-on-month, headline prices rose 0.3%.

Electricals prices fell 0.5% year on year in December, against a decline of 2.3% in November. This is above the 12-month and 6-month average rates of -2.5% and -2.0%, respectively. **Audio-Visual Equipment** and **Household Appliances** deflation slowed. Month-on-month, headline prices fell by -0.3%.

Health & Beauty inflation increased to 2.0% year on year in December, against growth of 1.7% in November. This is below the 12-month and 6-month average rates of 2.8% and 2.6%, respectively. Inflation picked up for **Toiletries & Cosmetics** and **Personal Care**. Month-on-month, headline prices were flat.

NON-FOOD

BRC-NIQ Shop Price Monitor

	December-25		November-25	
	On last year	On last month	On last year	On last month
Clothing & Footwear	-4.9	0.3	-6.4	0.0
Electrical	-0.5	-0.3	-2.3	-0.3
Health & Beauty	2.0	0.0	1.7	-0.8
Other Non-Food	0.3	-0.6	1.1	0.4
Books, Stationery & Home Entertainment	-1.9	-0.3	-0.9	0.4
Furniture & floor covering	-0.3	0.1	0.5	0.3
DIY, Gardening & Hardware	-0.1	0.3	0.1	-0.6
Total NON-FOOD	-0.6	-0.1	-0.6	0.0

NON-FOOD (cont.)

Other Non Food inflation decreased to 0.3% year on year in December, against growth of 1.1% in November. This is above the 12-month but below the 6-month average rates of 0.0% and 0.6%, respectively. **Tobacco** inflation picked up, and for **Non-Durable Household Goods**, inflation remained flat. **Pets, Related Products & Services** inflation slowed, whereas **Recreation & Sport and Personal Effects** deflation deepened. Month-on-month, headline prices fell by -0.6%.

Books, Stationery & Home Entertainment prices fell 1.9% year on year in December, against a decline of -0.9% in November. This is below the 12-month and 6-month average rates of 1.0% and 0.1%, respectively. Yearly deflation decelerated for **Home Entertainment; Stationery** products inflation picked up, and **Books & Newspapers** deflation accelerated. Month-on-month, headline prices fell by 0.3%.

Furniture & Flooring prices fell 0.3% year on year in December, against growth of 0.5% in November. This is above the 12-month but in line with the 6-month average rates of -1.3% and -0.3%, respectively. **Furniture, Furnishings & Carpets** inflation slowed, and **Household Textiles** deflation decelerated. Month-on-month, headline prices inched up by 0.1%.

DIY, Gardening & Hardware prices fell 0.1% year on year in December, against growth of 0.1% in November. This is below the 12-month and 6-month average rates of 0.6% and 0.4%, respectively. **House & Garden products** remained in deflation and **Household Utensils** inflation slowed. Month-on-month, headline prices rose 0.3%.

UK OUTPUT INFLATION

November Output prices (those for goods leaving the factory) rose by 3.4% compared to the same point last year, down from 3.6% in October.

In annual terms, the product groups with the highest rates of inflation were motor vehicles and other transport equipment, textiles and food products. Two product groups are experiencing deflation: coke and refined petroleum products, which saw prices fall by 0.6% over the year, and paper products which fell 0.3% over the year.

UK INPUT INFLATION

November Input prices (those for raw materials purchased by primary manufacturers) rose by 1.1% compared to the same point last year, down from 0.8% in October.

In annual terms, the strongest upward contributions came from inputs of domestic food and metals and other inputs. The largest downward contribution came from inputs of crude oil, which fell by 15.3% over the year.

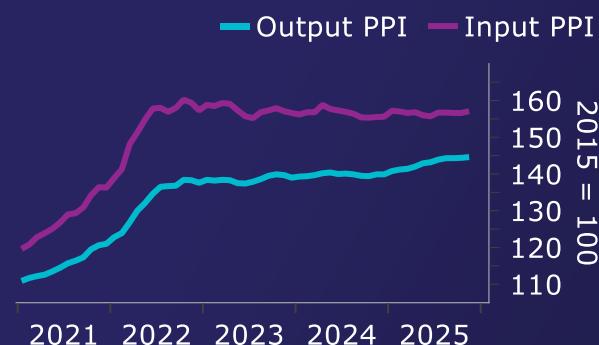
COMMODITY PRICE INDEX

Global Commodity prices rose slightly over December and are 9.0% 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 0.7% 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 125.1 points in November, down from October's revised level. Declines in dairy, meat, sugar and vegetable oils outweighed a rise in cereals. The index now sits slightly below its level a year earlier but remains more than one-fifth below the peak reached in March 2022.

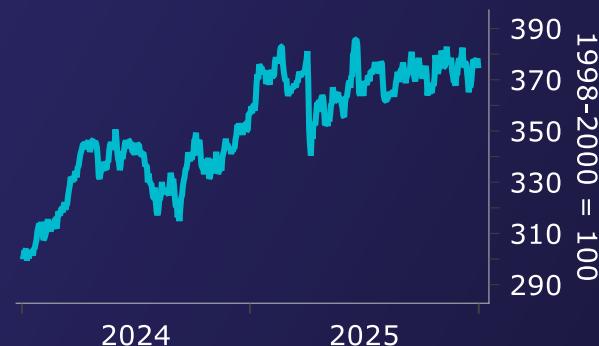
PRODUCER PRICE INDEX (PPI)



Source: ONS

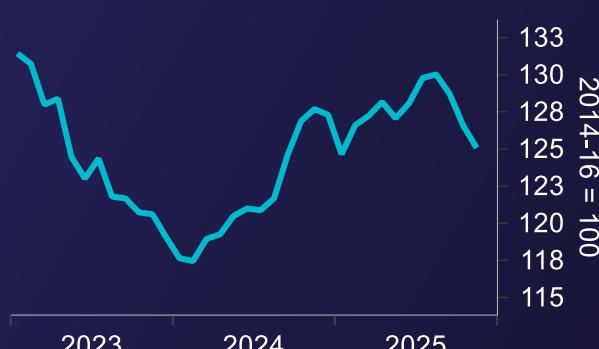
Note: Producer Price Inflation series have been [suspended](#) until the summer.

COMMODITY PRICE INDEX



Source: Macrobond

GLOBAL FOOD PRICE INDEX



Source: UN, The Food and Agricultural Organisation

GLOBAL FOOD PRICES - NOVEMBER

In November 2025, the FAO Food Price Index fell to 125.1 points, down 1.2% from October's revised figure. Lower prices for dairy, meat, sugar and vegetable oils outweighed a rise in cereals. The index now sits 2.1% below its level a year ago and remains nearly 22% beneath the peak recorded in March 2022.

SUGAR



Prices fell 29.9% year-on-year

Sugar prices dropped 5.9% month on month, marking their lowest level since December 2020. The fall was driven by expectations of ample global supplies, with Brazil maintaining strong output despite seasonal slowing. Larger crops anticipated in India and Thailand added further pressure, while weaker crude oil prices reduced demand from the biofuel sector.

MEAT



Prices rose 4.9% year-on-year

Meat prices declined 0.8% month on month in November, extending October's fall. Pig and poultry saw further drops, pressured by abundant supplies and subdued Chinese demand, while beef held broadly steady. Lamb bucked the trend, rising on firm global demand and limited export availability from Oceania.

DAIRY



Prices fell 1.7% year-on-year

Dairy prices dropped 3.1% on the month, their fifth consecutive fall, leaving them slightly below year-ago levels. Butter and milk powders led the decline, reflecting strong export availability and softer demand from Asia. Cheese eased only marginally, supported by firmer prices in Oceania amid tighter early-season supplies.

CEREALS



Prices decreased 5.3% year-on-year

Cereal prices rose 1.8% month on month in November. Wheat strengthened on concerns over Black Sea tensions and reduced Russian plantings, alongside firm Chinese buying interest. Maize and other coarse grains also gained, supported by weather-related delays in South America. Rice fell 1.5%, pressured by main-crop harvests and weak import demand.

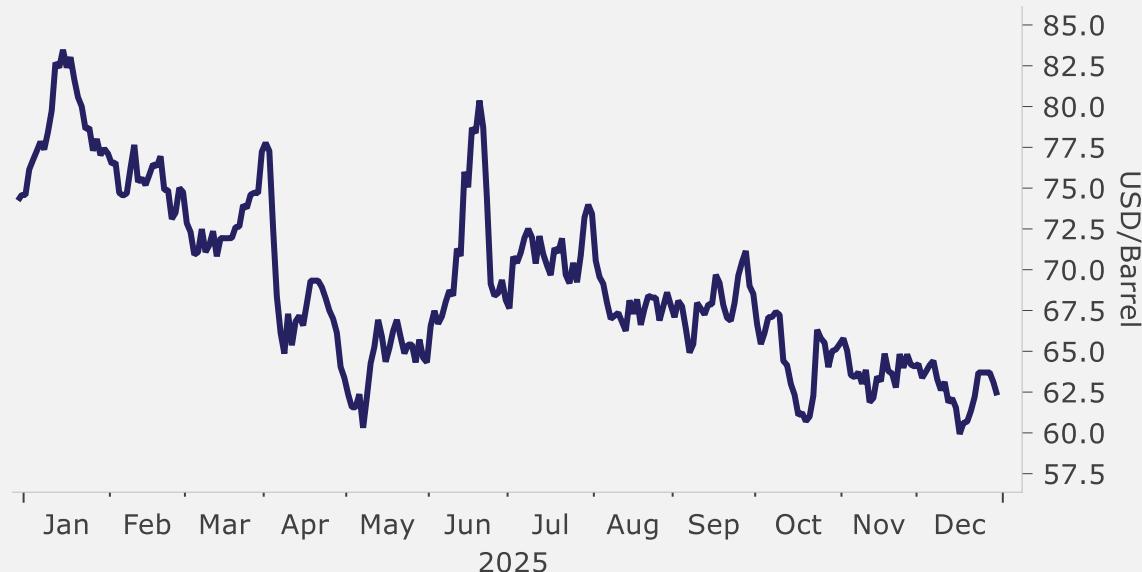
VEGETABLE OILS



Prices rose 0.6% year-on-year

Vegetable oil prices fell 2.6% (m-o-m), hitting a five-month low. Palm oil dropped on higher Malaysian output, while rapeseed and sunflower oils eased on improving global supply prospects. Soya oil edged up slightly, supported by biodiesel demand in Brazil, but falling crude oil prices capped gains.

GLOBAL BRENT CRUDE, DAILY SPOT PRICE



Source: US Energy Information Administration

OIL PRICES

In December, oil prices fell, averaging \$62.70 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 (JMMC) meeting will take place on 7 June 2026.

December YoY change

-15.1%

December MoM change

-1.7%

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 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

EDITOR



KRIS HAMER
DIRECTOR OF INSIGHT

For data enquiries, please email market.intel@brc.org.uk

