



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: 01-05 August 2022

Strictly embargoed until 0.01hrs, Wednesday 31 August 2022

August 2022



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Headline commentary



“Mounting cost pressures up and down supply chains meant retail price inflation hit a new record in August. The war in Ukraine, and consequent rise in the price of animal feed, fertiliser, wheat and vegetable oils continued to push up food prices. Fresh food inflation in particular, surged to its highest level since 2008, and products such as milk, margarine and crisps saw the biggest rises.

With some analysts predicting inflation could top 18% in 2023, the situation is bleak for both consumers and retailers. Retail businesses will remain committed to supporting their struggling customers through offering discounts to vulnerable groups, expanding value ranges, fixing prices of essentials, and raising staff pay. However, as retailers grapple with growing cost pressures, there is only so much they can shoulder. The new Prime Minister will have an opportunity to relieve some of the cost burden bearing down on retailers, such as business rates, which will increase substantially in 2023 unless action is taken.”

Helen Dickinson OBE | Chief Executive | British Retail Consortium



“Inflation continues to accelerate and shoppers are already cautious about how much they spend on groceries, with a fall in volume sales at supermarkets in recent months. We can expect this level of food inflation to be with us for at least another 6 months but hopefully some of the input cost pressures in the supply chain will eventually start to ease. However, with further falls in disposable incomes coming this autumn as energy costs rocket again, retail spend will come under pressure in the all-important final quarter of the year.”

Mike Watkins | Head of Retailer and Business Insight | NielsenIQ

Executive Summary

In August, Shop Price Inflation registered a fresh record since the start of the series in 2005. Food prices continued their surge, with prices growing an unusually strong 2.3% within the space of just a month. The inflation remains broad-based, as non-food inflation remained near all-time highs. Peaks in global commodity prices appear to have been reached but natural gas prices continue to break records. However, there continues to be much uncertainty with recurrent supply-chain disruption in China as well as due to the Ukraine-Russia war, that has the potential to cause further volatility in commodity markets and thus retail prices.

Moreover, we expect inflation in retail prices to continue for the remainder of the year. These pressures will find their way into the non-food as well as food categories, because of the knock-on impact of ever-increasing operational costs, particularly within manufacturing and transport.

All prices

Shop Price annual inflation accelerated to 5.1% in August, up from 4.4% in July. This is above the 3-month average rate of 4.1%. This marks a new record for shop price inflation since this index started in 2005.

5.1%

% change year-on-year

Non-Food

Non-Food inflation decelerated to 2.9% in August, down from 3.0% in July. This is above the 3-month average rate of 2.6%. Inflation remains near the series' high in this category.

2.9%

% change year-on-year

Food

Food inflation accelerated strongly to 9.3% in August, up from 7.0% in July. This is above the 3-month average rate of 7.2%. This is the highest inflation rate since August 2008.

9.3%

% change year-on-year

Fresh

Fresh Food inflation strongly accelerated in August to 10.5%, up from 8.0% in July. This is above the 3-month average rate of 8.1%. This is the highest inflation rate since September 2008.

10.5%

% change year-on-year

Ambient

Ambient Food inflation accelerated to 7.8% in August, up from 5.7% in July. This is above the 3-month average rate of 6.0%. This is the fastest rate of increase since March 2009.

7.8%

% 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
Aug-22	5.1	1.1	9.3	2.3	2.9	0.5
Jul-22	4.4	0.7	7.0	1.3	3.0	0.4

INFLATION AT RECORD-HIGHS

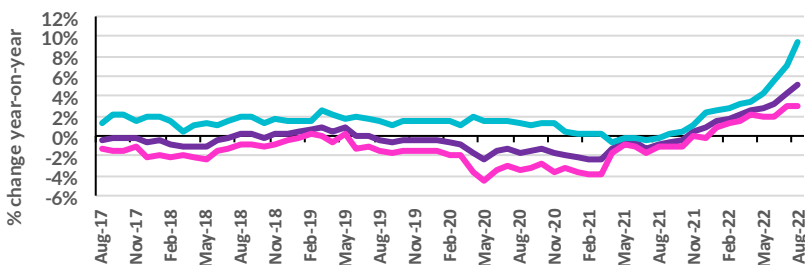
Shop Price Inflation registered a new record high in August, hitting 5.1%, the highest rate since the inception of the Shop Price Index data series, and thirteenth consecutive monthly rise. Food price inflation was again the main driving force behind the increase this month, with non-food inflation slightly decelerating. Fresh food inflation was particularly strong over the past month. The energy price shock induced by the Ukraine-Russia conflict has forced producer input costs up with the pass-through being seen in shops.

Shop prices have been rising since November, and are now at their strongest on record. Global commodity prices remain high but are now plateauing if not falling. Input costs continue to rise for businesses across the world, particularly energy, metals and food. Given the lag between global and domestic retail prices, easing commodity price pressure is unlikely to give any immediate relief to the consumer.

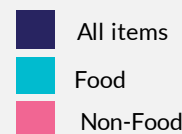
Supply-chain malaise is easing, with the Global Supply Chain Pressure Index corroborating this. Indeed, the stalemate in the Ukraine-Russia conflict has resulted in the resumption of grain exports from Black Sea ports, though uncertainty remains ahead. Price pressures are likely to remain within the global economic system in the near-term, continuing to tug at stretched supply-chains.

Shipping costs have also begun to fall, although remain high, with costs three times higher than since the Covid-19 pandemic began. Ahead, shipping firms are expanding container fleets, however these additional vessels are unlikely to be in operation until 2023/24, suggesting shipment costs will remain higher than pre-pandemic averages in the near-term.

FOOD VS NON-FOOD



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
Aug-22	5.1	1.1	9.3	2.3	2.9	0.5
Jul-22	4.4	0.7	7.0	1.3	3.0	0.4

OIL PRICES STABILISE, WHOLESALE GAS PRICES UP AGAIN

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

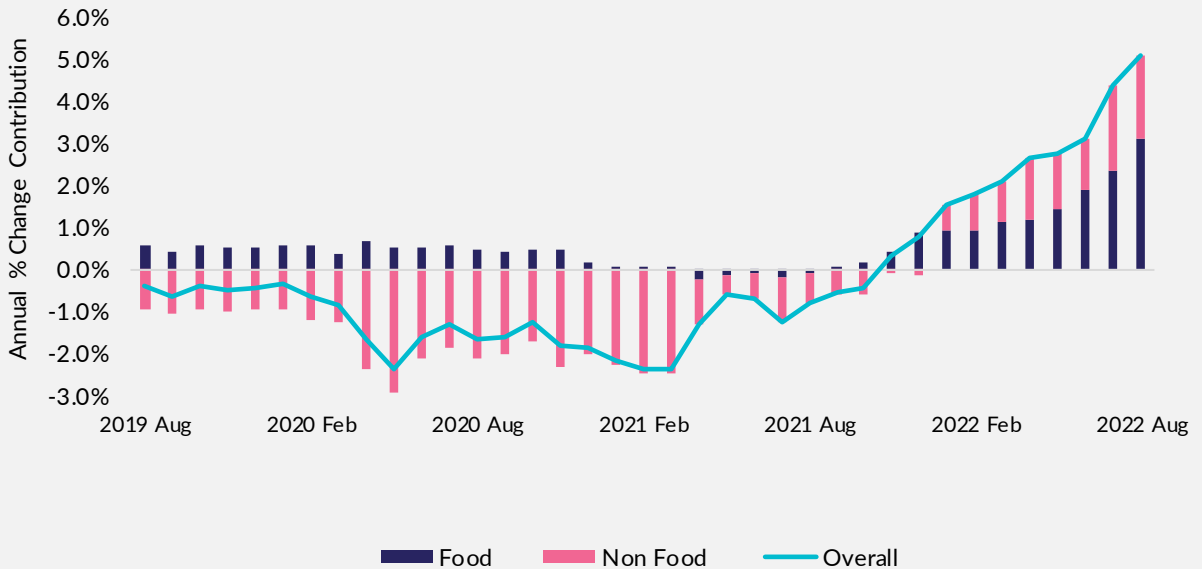
Increasing oil prices affect almost every industry down the supply-chain, albeit to varying degrees. From increased production costs to prices paid for transportation, energy is required at every stage of the process, which in turn increases price inflation for products.

Non-Food prices have also been affected by these factors, to varying degrees across product categories, but inflation did decelerate in the most recent reporting period. Despite representing an annualised easing, price growth on the month accelerated, with Books, Stationary & Home Entertainment products being a main driver.

Global oil prices trended lower, towards \$95 /bl, though supply-constraints in the market remains. Wholesale gas prices have continued to rise, however, with constricted Russian pipelines reducing supplies to Europe, and pushing prices up. Energy prices for manufacturers and transporters are not likely to come down in the near-term, generating upward pressure on Non-Food prices.

To mitigate the worst effects of the current geopolitical turmoil, efforts are being made to plug the gap in energy resource supply, by increasing output from other oil and gas producing nations. However, with fears over 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 August to 9.3%. This is well above the 12- and 6-month average price growth rates of 3.5% and 5.4%, respectively. This represents a record-high for the food price series.

Non-Food inflation decelerated to 2.9% in August, down from 3.0% in July. This remains above both the 12- and 6-month average price changes of 0.8% and 2.0%, respectively. This is close to the record-high for the non-food price series.

Food

9.3%

August, YOY change

Non-Food

2.9%

August, YOY change

% Change	Food		Fresh		Ambient	
	On last year	On last month	On last year	On last month	On last year	On last month
Aug-22	9.3	2.3	10.5	2.4	7.8	2.2
Jul-22	7.0	1.3	8.0	1.6	5.7	0.8

FRESH FOOD

Fresh Food inflation accelerated in August to 10.5%, up from 8.0% in July. This is above the 12- and 6-month average price growth rates of 3.8% and 5.9%, respectively. Monthly fresh food prices continued to grow at a very swift pace, at 2.4%.

August UK Dairy wholesale prices (See Chart) saw significant annual increases for all categories, with prices of Bulk Cream rising by 78%, Butter by 78%, Mild Cheddar by 57% and Skim Milk Powder by 40%. In monthly terms, prices fell for all categories.

AMBIENT FOOD

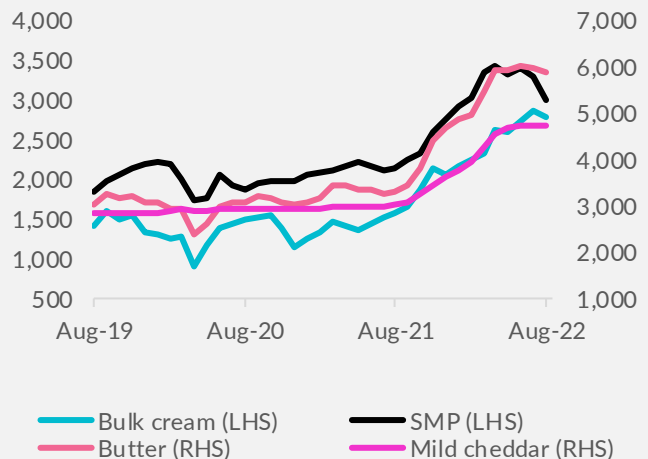
Ambient Food inflation accelerated to 7.8% in August up from 5.7% in July. This remains the highest rate of inflation for the category since May 2012. This is above the 12- and 6-month average price increases of 3.1% and 4.7%, respectively. Monthly prices increased by 2.2%.

UK WHOLESALE DAIRY PRICES, AUGUST 2022

	Bulk cream	Butter	Skim Milk Powder	Mild cheddar
YoY	78%	78%	40%	57%
MoM	-3%	-2%	-9%	-1%

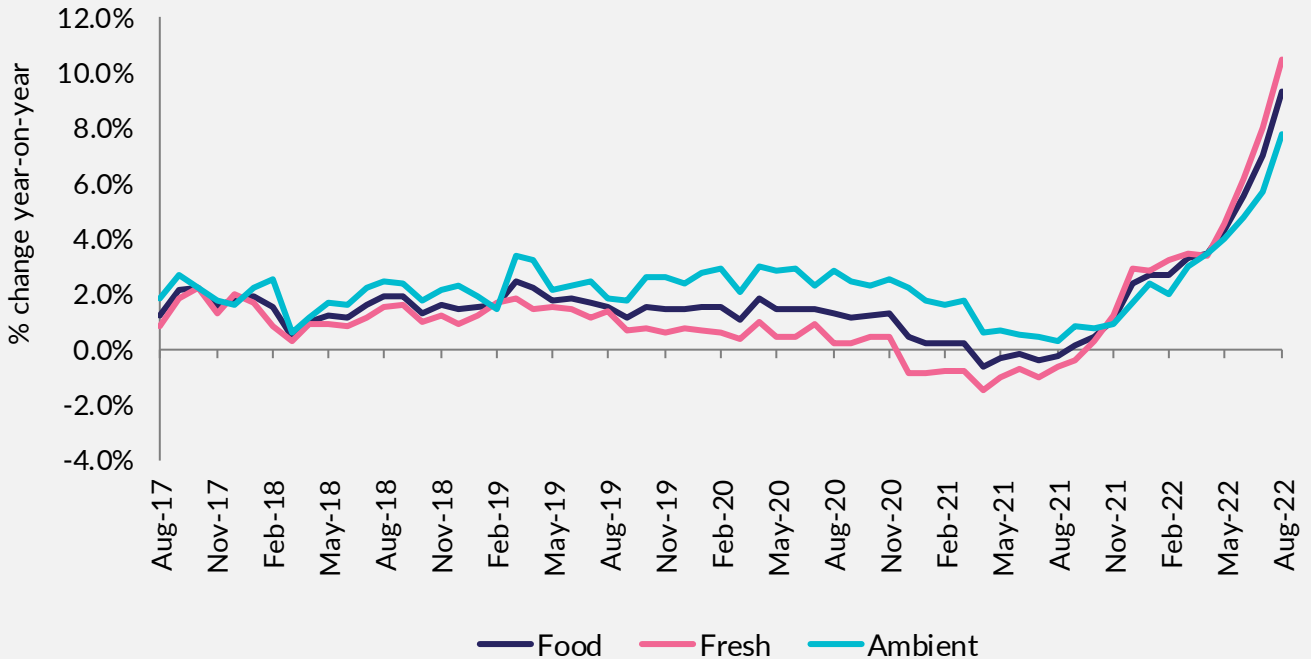
Source: Agricultural & Horticulture Development Board Dairy.

UK WHOLESALE DAIRY PRICES, AUGUST 2022



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

FOOD INFLATION



UK PRODUCE PRICES

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

Changes in Vegetable prices varied. The largest price decline was 33% for tomatoes, and the largest price rise was 166% for calabrese (broccoli).

Fruit inflation rose, with gooseberries showing the highest increase at 35% and strawberries showing the largest price decline at 44%.

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

Strawberries	-44%
Blueberries	-37%
Raspberries	-34%
Tomatoes	-33%
Gladioli	-30%
Cucumbers	65%
Capsicum	76%
Cauliflower	80%
Spring Greens	127%
Calabrese	166%

	AUG-22		JUL-22	
	On last year	On last month	On last year	On last month
Clothing & Footwear	-2.1	0.6	-3.1	-0.3
Electricals	-0.6	0.8	-1.6	-0.6
Health & Beauty	2.5	-0.2	2.6	0.5
Other Non-Food	3.2	0.0	4.3	0.7
Furniture & Floorcovering	5.4	0.6	7.2	-0.4
Books, Stationery & Home Entertainment	5.7	1.6	2.9	0.4
DIY, Gardening & Hardware	6.3	1.3	4.9	2.2
Total Non-Food	2.9	0.5	3.0	0.4

NON-FOOD

Non-Food inflation decelerated to 2.9% in August, down from 3.0% in July. This is above the 12- and 6-month average price increases of 1.1% and 2.2%, respectively. Most non-food categories saw inflationary pressures decrease slightly or maintained deflation, with annual price pressure decelerating or remaining negative for five out of the seven categories in the index's basket of goods. On the month, Non-Food prices rose by 0.5%, with prices increasing in four out of the seven categories of the index.

Books & Stationery prices increased by 5.7% in the 12 months to August. This is considerably higher than the 12-month average price increase of 1.6% and the 6-month average price growth rate of 3.0%. Yearly deflation accelerated in August for **Home Entertainment. Books & Newspapers** inflation rose while **Stationery** price growth accelerated also. Month-on-month, headline prices increased by 1.6%.

Health & Beauty inflation decelerated to 2.5% in August. This is above the 12- and 6-month average price growth rates of 1.8% and 2.2%, respectively. This remains the swiftest pace of inflation for this category since 2019. Inflation for **Toiletries & Cosmetics** accelerated meanwhile for **Personal Care** it decelerated. Month-on-month, headline prices fell by 0.2%.

Furniture inflation decelerated to 5.4% in August, down from 7.2% in July. This is well above the 12-month average price increase of 3.8% and 6-month average price increase of 5.2%. Inflation decelerated for **Furniture & Furnishings** and accelerated for **Household Textiles**. Month-on-month, headline prices rose 0.6%.

	AUG-22		JUL-22	
	On last year	On last month	On last year	On last month
Clothing & Footwear	-2.1	0.6	-3.1	-0.3
Electricals	-0.6	0.8	-1.6	-0.6
Health & Beauty	2.5	-0.2	2.6	0.5
Other Non-Food	3.2	0.0	4.3	0.7
Furniture & Floorcovering	5.4	0.6	7.2	-0.4
Books, Stationery & Home Entertainment	5.7	1.6	2.9	0.4
DIY, Gardening & Hardware	6.3	1.3	4.9	2.2
Total Non-Food	2.9	0.5	3.0	0.4

NON-FOOD (cont.)

DIY & Gardening inflation increased to 6.3% in the 12 months to August, up from 4.9% in the preceding month. This is above the 12- and 6-month average price growth rates of 2.9% and 3.8%, respectively. **Glassware & Tableware** inflation increased with **Tools & Equipment** prices also showing a significant increase. Month-on-month, headline prices increased by 1.3%.

Other Non-Food inflation decelerated to 3.2% in August, down from 4.3% in May. This is above the 12-month average of 2.2% and in line with the 6-month average of 3.2%. Inflation for **Tobacco** and **Pet-related Products** both increased. **Non-Durable Household Goods and Tobacco** saw annualised inflation accelerate, though it decelerated for **Personal Effects, Recreation & Sport** as well as **Pet-Related goods**. Month-on-month, headline prices remained flat.

Electricals prices were 0.6% lower over the previous year, in August, the only category to see intensifying deflation. This is below the 12- and 6-month average price increases of -0.1% and -0.2%, respectively. In August, deflation decelerated for **Household Appliances** and **Audio-Visual Equipment**. Month-on-month, headline prices increased by 0.8%.

Clothing & Footwear was the only other category exhibiting signs of deflationary pressure in the Non-Food index with the pace of deflation decelerating slightly to -2.1% in August, compared to -3.1% in July as summer sales set in. This is a resultingly slower pace of decline than the 12- and 6-month average price decreases of -2.1% and of -3.1%, respectively. Deflation eased further for **Women's Clothing** and **Children's Clothing** and **Footwear**. **Baby Clothing** and now **Men's Clothing** are the only two clothing categories showing signs of inflation. Month-on-month, headline prices rose by 0.6%.

UK Input & Output Inflation

July Output prices (those for goods leaving the factory) rose by 17.1% compared to the same point in 2021, up from 16.4% in June 2022.

Of the ten product groups, five displayed upward contributions to the annual rate in June. Food products provided the largest upward contribution to the annual rate and had annual price growth of 14% in July 2022. This is the highest recorded rate since records began in 1997, with the increase mainly driven by preserved meat and meat products for the domestic market.

Tobacco and alcohol was the only product group to display a downward contribution to the annual rate, though it nonetheless did rise by 4% in the year to July 2022. It provided a downward contribution due to a change in the weight, as a result of methodological shifts by the ONS.

The largest upward contribution to the annual input inflation rate came from metals and non-metallic minerals, which contributed 4.7 percentage points of the overall 22.6% figure, exhibiting annual price growth of 21.9% in July 2022 following a monthly rise of 0.4%. Geopolitical tensions are seeing metals prices soar, with the subsequent rises being shouldered by factory gates, particularly in heavy industry.

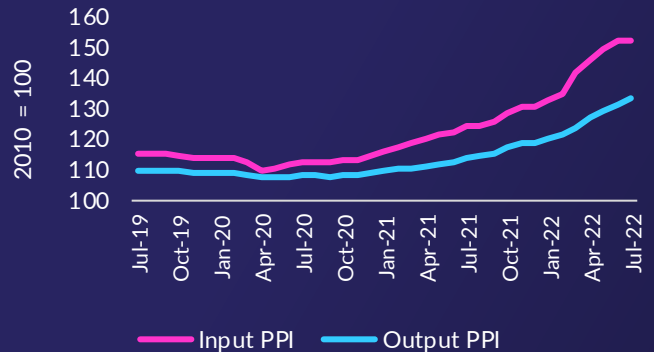
COMMODITY PRICE INDEX

Global Commodity prices plateaued over the course of August, having peaked on the 9th of June. Since then, prices have steadily fallen by 10.8% from this 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 still 0.6% higher than in June. Furthermore, prices remain significantly inflated from the same point last year, with an increase of 39.2%. 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 8.7% in July 2022 to average 140.9 points, down from 154.3 in the preceding month. The July drop was led by a strong monthly fall in vegetable oil as well as the cereals price sub-index.

PRODUCER PRICE INDEX (PPI)



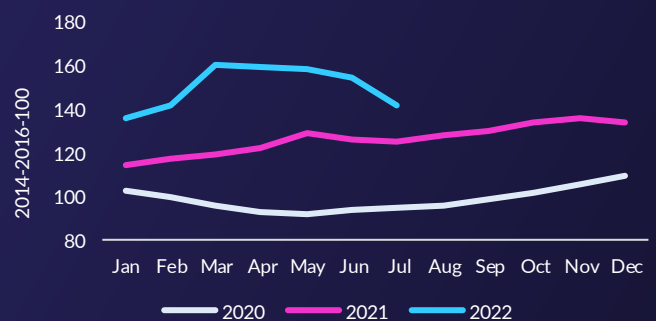
Source: ONS

COMMODITY PRICE INDEX



Source: Refinitiv (formerly Thompson Reuters)

GLOBAL FOOD PRICE INDEX



Source: UN, The Food and Agricultural Organisation

GLOBAL FOOD PRICES - JULY

Global food prices (according to the United Nations) continued to ease, contracting on the month by 8.7%. Prices settled down from the all-time record in March, though prices remain 16.4% higher than a year ago. The July fall was led by strong monthly contraction in vegetable oil and cereal prices as well as a slight drop in the sugar price sub-indices.

SUGAR

Prices rose 2.9% year-on-year



Sugar prices declined for a third consecutive month, in July, reaching their lowest level since February. A weakening Brazilian Real relative to the US Dollar and lower prices of ethanol placed downward pressure on sugar prices, in addition to limited global import demand. Concerns over yield potential in the European Union prevented further price declines in sugar.

MEAT

Prices rose by 8.7% year-on-year



Meat prices increased by 8.7% on the year though decreased 0.5% on the month. Remaining close to all-time highs, world prices for all meats appear to have peaked. Increased ovine meat availability for export, from Australia, placed downward pressure on prices, in addition to lower import demand. International poultry prices, in contrast, reached an all-time high, underpinned by strong global demand and tight global supplies as a result of Avian influenza outbreaks.

DAIRY

Prices rose 25.5% year-on-year



In July, prices for dairy products fell though remain higher relative to a year ago. Milk powder (in addition to butter and whole milk) quotations fell the most, following subdued import demand in Western Europe. Alongside weak demand from China and elevated dairy prices, spot supplies experienced subdued demand. Overall tight supply in dairy products kept prices elevated.

CEREALS

Prices increased 16.6% year-on-year



Cereal prices fell by 11.4% in June, driven by seasonal availability from new harvests in the northern hemisphere, and crucially the agreement reached by Russia and Ukraine to unblock the latter's main Black Sea ports. Signs of an economic slowdown also amplified deflationary pressures. Within cereals, wheat and maize prices fell on the month.

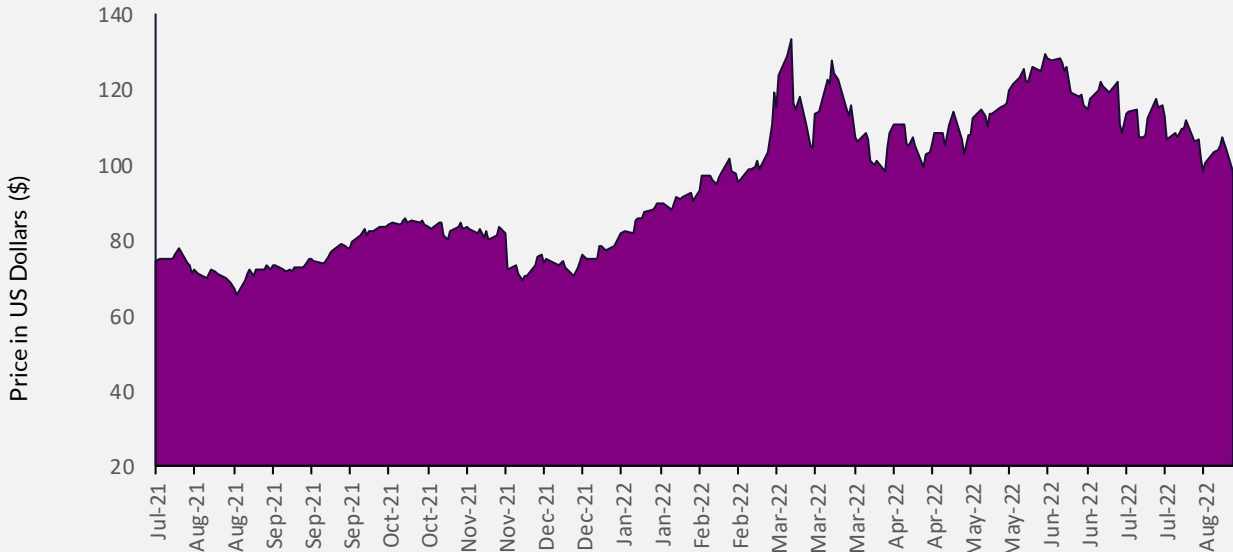
VEGETABLE OILS

Prices rose 10.0% year-on-year



Vegetable Oils prices rose by 10% on the year but fell a significant 19.2% on the month. The fall in July was primarily driven by lower world prices of palm, sunflower and soy oils and rapeseed oil. Indonesia's lifting of their export ban on palm oil has provided ample export opportunities, exerting downward pressure on prices. In addition, price quotations for sunflower oil continued to decline from record highs. International soy and rapeseed saw subdued import demand weigh on prices.

GLOBAL BRENT CRUDE, DAILY SPOT PRICE



Source: US Energy Information Administration

OIL PRICES

In August, oil prices fell, averaging \$100 / barrel, having peaked at over \$130 / barrel in the immediate aftermath of Russia's invasion of Ukraine. The increase followed a series of sanctions imposed on the Russian state, with the US and other NATO nations banning the import of Russian oil, limiting worldwide supply. Worldwide recession risks are now placing downward pressure on prices.

The OPEC meeting held on the 3rd of August resulted in an agreement to increase production by 0.1 million barrels per day through September 2022. The meeting delivered much less by the way of oil production, as recession risks mount and concerns surrounding future demand grow. The oil cartel's next meeting takes place on the 5th of August, determining output levels for the month of October.

August YoY change

42%

August MoM change

-10%

HEADLINE YEAR-ON-YEAR CHANGE

	OVERALL	NON-FOOD	FOOD	FRESH	AMBIENT
Aug-21	-0.8	-1.2	-0.2	-0.6	0.3
Sep	-0.5	-1.0	0.1	-0.4	0.8
Oct	-0.4	-1.0	0.5	0.3	0.8
Nov	0.3	-0.1	1.1	1.2	0.9
Dec	0.8	-0.2	2.4	3.0	1.7
Jan	1.5	0.9	2.7	2.9	2.4
Feb	1.8	1.3	2.7	3.3	2.0
Mar	2.1	1.5	3.3	3.5	3.0
Apr	2.7	2.2	3.5	3.4	3.5
May	2.8	2.0	4.3	4.5	4.0
Jun	3.1	1.9	5.6	6.2	4.8
Jul	4.4	3.0	7.0	8.0	5.7
Aug-22	5.1	2.9	9.3	10.5	7.8

HEADLINE MONTH-ON-MONTH CHANGE

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

CATEGORY YEAR-ON-YEAR CHANGE

	CLOTHING & FOOTWEAR	FURNITURE & FLOOR COVERING	ELECTRICALS	DIY, GARDENING & HARDWARE	BOOKS, STATIONERY & HOME ENT.	HEALTH & BEAUTY	OTHER NON-FOOD
Aug-21	-9.0	1.9	0.8	0.4	-0.5	0.9	0.2
Sep	-9.4	2.8	0.7	1.7	-0.9	0.9	-0.1
Oct	-8.3	1.3	-0.5	1.2	-0.4	1.6	0.5
Nov	-6.9	2.1	0.5	2.9	-1.0	1.2	1.0
Dec	-7.1	1.6	-0.4	2.0	0.6	1.6	1.6
Jan	-5.4	3.6	-0.1	1.8	1.9	1.8	2.2
Feb	-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-22	-2.1	5.4	-0.6	6.3	5.7	2.5	3.2

CATEGORY MONTH-ON-MONTH CHANGE

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

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
Aug-21	99.6	142.3	135.6	152.3	81.0	36.9	91.3	59.5	108.6	103.4	118.0	113.9
Sep	99.7	142.6	135.8	152.6	81.1	36.7	91.9	59.4	108.7	103.2	118.5	113.8
Oct	100.1	143.3	136.6	153.5	81.3	37.1	91.8	59.0	109.0	103.6	119.2	114.2
Nov	100.3	144.2	137.6	154.0	81.4	36.7	92.0	59.6	109.4	104.0	118.4	114.7
Dec	100.7	144.6	138.7	153.4	81.7	36.7	92.5	59.0	109.3	105.2	119.8	115.3
Jan	100.7	145.8	139.0	155.9	81.4	35.9	92.7	58.7	109.7	105.1	119.8	115.2
Feb	101.2	146.2	140.0	155.6	81.9	35.9	93.7	59.1	110.8	104.8	119.9	115.9
Mar	101.5	147.0	140.1	157.2	82.0	35.9	94.0	59.2	111.0	105.2	119.7	116.0
Apr	101.7	147.3	140.1	157.9	82.2	35.9	94.9	59.0	111.1	106.7	120.2	116.1
May	102.1	148.3	141.3	158.7	82.3	35.9	95.3	59.2	110.8	107.2	119.2	116.6
Jun	102.8	150.2	144.0	159.4	82.6	36.0	96.1	59.0	111.6	107.1	120.5	116.7
Jul	103.5	152.1	146.4	160.7	83.0	35.9	95.7	58.6	114.0	107.5	121.1	117.6
Aug-22	104.6	155.6	149.9	164.2	83.4	36.1	96.3	59.1	115.5	109.3	120.9	117.5

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.

ENQUIRIES



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