



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: 02-06 August 2021

Strictly embargoed until 0.01hrs, Wednesday 01 September 2021

August 2021



Table of contents



3	HEADLINE COMMENTARY
4	EXECUTIVE SUMMARY
5	OVERVIEW
7	COMMODITIES
8	GLOBAL FOOD
9	OIL PRICES
10	FOOD & NON-FOOD
15	DATA TABLES - HEADLINES
16	DATA TABLES - CATEGORIES
17	DATA TABLES - INDEX
18	METHODOLOGY



Headline commentary



“While it is good news that overall retail prices fell year on year, there was a slight rise in prices on the previous month. There are some modest indications that rising costs are starting to filter through into product prices. Some of the Non-Food categories, such as electricals, saw sharp rises in inflation compared to last year, owing to global issues from delayed shipping and shortages of microchips. Food retailers are fighting to keep their prices down as far as possible. But mounting pressures – from rising commodity and shipping costs as well as Brexit-related red tape, mean this will not be sustainable for much longer, and Food price rises are likely in the coming months.

“Low prices are already under threat, and now the HGV driver shortage has created an additional problem with a shortfall of 90,000 drivers. Disruption has been limited so far, but in the run up to Christmas the situation could get worse, and customers may see reduced choice and increased prices for their favourite products and presents. The Government must act swiftly and rapidly increase the number of HGV driving tests taking place, provide temporary visas for EU drivers, and make changes on how HGV driver training can be funded. Without Government action, it will be the British consumers who will pay the price.”

Helen Dickinson OBE | Chief Executive | British Retail Consortium



“The good news for shoppers is that shop price inflation remains below consumer price inflation and any moderate increases in prices are being driven by wider economic conditions and seasonal supply changes. With shoppers now returning from their summer holidays many will be reviewing their household budgets. So the next few months will be an important time for retailers to keep prices stable by absorbing as much of any increase in their supply chain costs as possible.”

Mike Watkins | Head of Retailer and Business Insight | NielsenIQ

Executive Summary

Shop Prices fell in August at a slower annual rate than in July, as both Food and Non-Food prices saw slower declines. And that despite retailers being confronted with upward cost pressures from higher fuel and shipping costs, higher input costs and increased wage bills due to staff shortages. The mismatch between supply costs rises and muted price increases on the shelves suggests that fierce competition between grocers keeps Food prices low, while slowing in spend and labour market uncertainties make it difficult for Non-Food retailers to increase prices.

All prices

Shop Price deflation eased to 0.8% year-on-year in August compared to July's decrease of 1.2%. This is a slower rate of decline than the 12- and 6-month average price decreases of 1.5% and 1.2%, respectively.

-0.8%
% change year on year

Non-Food

Non-Food deflation slowed to 1.2% in August, compared to a fall of 1.8% in July. This is a slower rate of decline than the 12- and 6-month average price declines of 2.6% and 1.8%, respectively.

-1.2%
% change year on year

Food

Food deflation decelerated to 0.2% in August from July's deflation of 0.4%. This is the fifth consecutive month when Food prices fell. This is below the 12-month average price growth rate of 0.3% and in line with the 6-month average price growth rate of -0.2%.

-0.2%
% change year on year

Fresh

Fresh Food prices fell for the ninth consecutive month in August, with deflation easing to 0.6% from a decline of 1.0% in July. This is in line with the 12-month average price growth rate of -0.6% and below the 6-month average price growth of -0.9%.

-0.6%
% change year on year

Ambient

Ambient Food inflation eased to 0.3% in August, down from 0.5% in July. This is the lowest rate of inflation for the category since January 2017. This is below the 12- and 6-month average price increases of 1.5% and 0.8%, respectively.

0.3%
% 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-21	-0.8	0.4	-0.2	0.2	-1.2	0.6
Jul-21	-1.2	-0.5	-0.4	-0.1	-1.8	-0.7

HIGHER PRICES LOOM

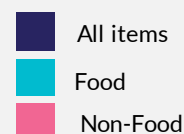
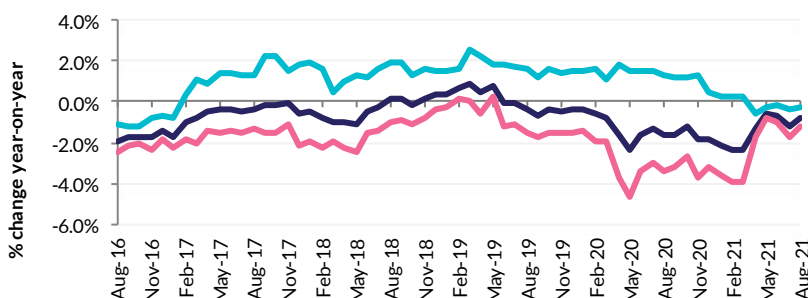
Shop Prices fell in August at a slower annual rate than in July, as both Food and Non-Food prices saw slower declines. Food prices were 0.2% lower on the year, the fifth consecutive month of declines. Non-Food prices fell by 1.2%, bringing annual Shop Price deflation at -0.8%.

August picture for Shop Prices is very similar to the past several months. Severe global bottlenecks in production have not eased. Global logistics have come under fresh pressures as a lack of ships adds to the now months-long shortage of containers and a lack of ports capacity. More locally, a shortage of HGV drivers in the UK and a shortage of staff to work in poultry plants or farms threatens not only product choice on the shelves, but also goods' availability in the coming months. And as if that would not suffice, commodity prices continued their rally. On the year, July's global food prices rose by 31%, August's commodity prices by 44% and oil prices by 58%. Shipping costs have now quintupled since November 2019.

All of the above means that supply chain costs are coming under significant pressures. And while it takes between 7 to 12 months for these costs increases to filter through onto Food prices, and between 12 to 24 months for input cost rises to be passed onto Non-Food prices, it's likely that the days of price rises on the shelves are within view. Especially as large consumer goods producers have started rising their prices and Brexit checks on food products at borders will start being implemented in October.

August Ambient
Food prices rose at
the slowest pace
since January 2017.

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
Aug-21	-0.8	0.4	-0.2	0.2	-1.2	0.6
Jul-21	-1.2	-0.5	-0.4	-0.1	-1.8	-0.7

HIGHER PRICES LOOM (cont.)

However, market conditions make it very difficult for retailers to pass on cost increases.

In the Food market, the competition for market share is fierce. Today's consumers are increasingly more price-conscious, including when it comes to shopping for food, there is little brand loyalty and many households find themselves under financial strain, either from a loss of income during the pandemic or from higher prices in the wider economy. As such, any rise in Food prices has to be measured not only against rising costs, but against a potential loss of customers.

Non-Food retailers have an even more complicated pricing equation to solve. While pent-up demand has been released since health restrictions have been lifted, rising infections have already slowed down sales growth in July. Moreover, uncertainty about future developments in the labour market and the public's worries over rising inflation are likely to adversely impact discretionary spend in the months to come. The labour market saw positive developments in Q2, with employment rising, unemployment falling, the vacancy rate reaching record-levels and the redundancy rate reaching its pre-pandemic level. However, there are also many labour shortages reported and it's not clear whether these shortages are temporary, caused by a speedy economic reopening, or will prove more persistent, owing to the pandemic permanently shifting the make-up of the economy and resulting in a lack of skills. Many fear the latter is likely, as unemployment is still above its March-20 level and at the end of June there were still 1.9mill workers on furlough, despite significant labour shortages reported. In this context, Non-Food retailers will find it very hard to pass on cost increases.

In sum, despite the significant supply chain cost rises, it's not clear how much of those can be passed onto consumers in the current economic environment. However, some rises will take place soon, as retailers don't have much more room to absorb cost increases.

Electricals saw the highest inflation rate since our records started.

UK INPUT & OUTPUT INFLATION

July Output prices (for goods leaving the factory) rose year-on-year for the seventh consecutive month, with prices rising by 4.9%, down from 4.5% (revised) in June. On the month, prices rose by 0.6%, the tenth consecutive monthly increase. Of the ten categories of the index, seven provided positive contributions to the output annual rate, the largest coming from Transport equipment and the second largest from Metals, machinery and equipment. The largest downward contribution to the annual rate came from Chemicals and Pharmaceuticals.

July Input prices (materials and fuels) rose year-on-year by 9.9%, down from 9.7% (revised) in June. On the month, they rose by 0.8%. Of the ten product groups, eight provided positive contributions to the input annual rate. Similar to last month, the largest upward contribution came from Metals and non-metallic minerals, and the second largest from Crude oil. The largest downward contribution to the annual rate came from Other parts and equipment.

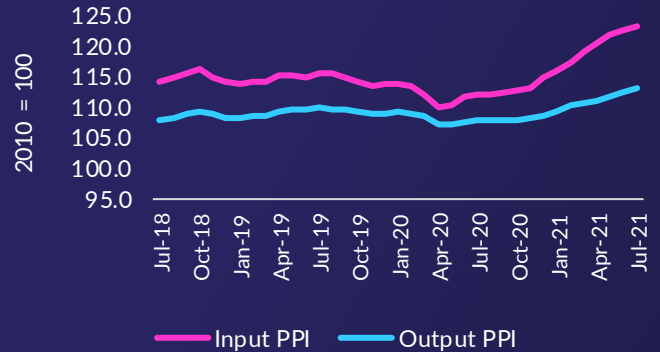
GLOBAL COMMODITY PRICES

Commodity prices continued their rally in August. The Thomson Reuters/Core Commodity CRB Index, a weighted commodities benchmark, rose by 43.8% on the year and by 0.4% on the month. Using the 3-month average figures for comparison, August prices are 48.9% higher on the year and 1.9% higher on the month. 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 PRICES

Global food prices recorded their second consecutive monthly fall in July. Prices were 1.3% lower than in June, but still 31.0% higher than a year ago. The drop in July reflected declines in prices of cereals, dairy products and vegetable oils which more than offset increases in meat and sugar prices for the second consecutive month.

PRODUCER PRICE INDEX (PPI)



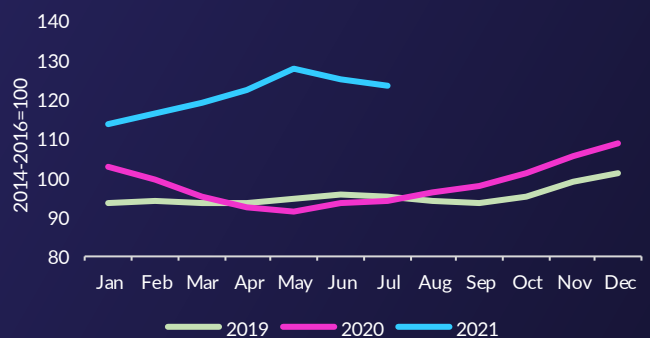
Source: ONS

COMMODITY PRICE INDEX



Source: Refinitiv (formerly Thomson Reuters)

GLOBAL FOOD PRICE INDEX



Source: UN, The Food and Agricultural Organisation

GLOBAL FOOD PRICES -- JULY

Global food prices recorded their second consecutive monthly fall in July. Prices were 1.3% lower than in June, but still 31.0% higher than a year ago. The drop in July reflected declines in prices of cereals, dairy products and vegetable oils which more than offset increases in meat and sugar prices for the second consecutive month.



SUGAR

Prices rose 44.2% year-on-year

July Sugar prices rose to their highest level since March 2017, increasing by 44.2% on the year and by 1.8% on the month. Uncertainties over the impact of unfavourable weather conditions on crop yields in Brazil, the world's largest sugar exporter, and the rise in oil prices continued to exert upward pressure on prices. By contrast, good production prospects in India offset some of the upward pressures.



MEAT

Prices rose by 19.6% year-on-year

Meat prices increased by 19.6% on the year and by 0.8% on the month. Increased East Asian imports amidst limited production expansions pushed poultry meat prices up, while high import demand and seasonally declining supplies from Oceania pushed prices of ovine meat up. Bovine meat prices rose on high demand, especially from China, and low supplies. Conversely, a fall in Chinese demand put downward pressures on pig meat prices.



DAIRY

Prices rose 14.4% year-on-year

Dairy prices rose by 14.4% on the year, but fell by 2.8% on the month. The drop in global import demand has continued in July too, putting downward pressures on prices. Moreover, expectations for rising export availabilities in the period ahead, especially from Oceania, further weighed on prices.



CEREALS

Prices increased 29.5% year-on-year

Cereals prices rose by 29.5% on the year, but decreased by 3.0% on the month. Better yields than expected and improved production prospects combined with China's cancellation of old crop maize triggered a fall in maize prices. Weak demand pushed prices of barley and sorghum down. Wheat prices reached their highest level since mid-2014 unfavourable weather threatened crop prospects. Rice prices hit two-year lows, as new crops compounded slow sales due to logistical hurdles.

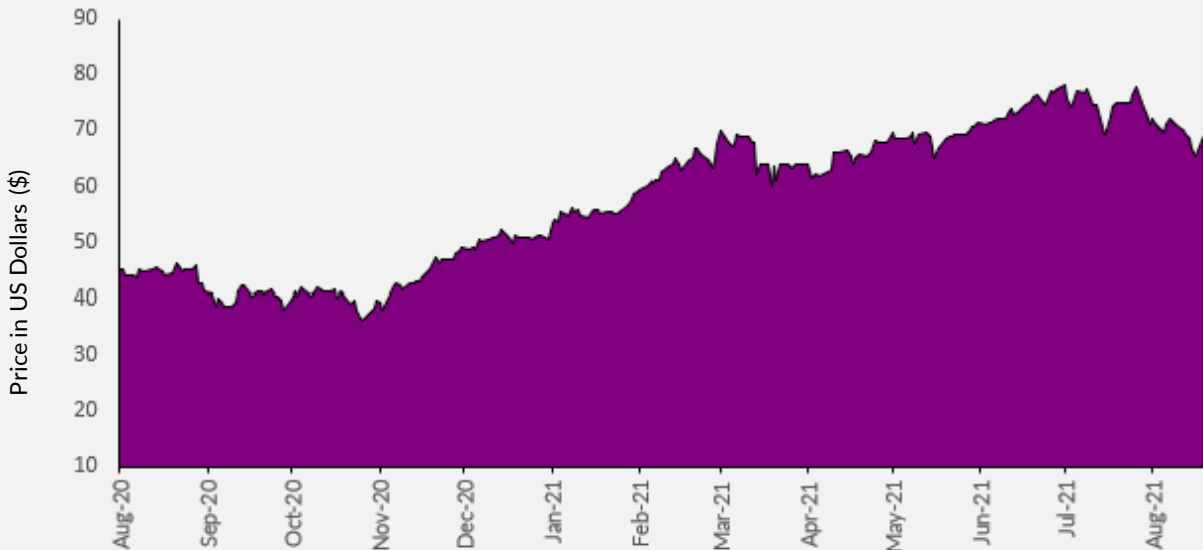


VEGETABLE OILS

Prices rose 66.7% year-on-year

Vegetable Oils prices rose by 66.7% on the year and fell by 1.3% on the month. July marks the fourteenth month of double-digit annual increases. The last six months saw annual rises over 50%. Palm oil prices rebounded, underpinned by lower than expected output in producing countries amid migrant labour shortage issues, primarily in Malaysia. By contrast, prices for soyoil weakened, largely pressured by the lower biodiesel blending mandate in Argentina. Prices for rape and sunflower oils fell reflecting subdued global import demand and prospective record supplies for the 2021/22 season, respectively.

GLOBAL BRENT CRUDE, DAILY SPOT PRICE



Source: US Energy Information Administration

OIL PRICES

Oil prices averaged \$70/ barrel in August, a fall of 5% compared to July, but still 58% higher than a year ago.

A global spike in the Delta variant might slow a demand recovery, which would depress oil prices. In the beginning of August, crude oil prices fell as China reimposed new lockdowns. Prices came back up since, but this brought into question whether OPEC+ would go back on their July's agreement to gradually increase production until the cuts put in place at the beginning of the pandemic would be undone. For now, the cartel signalled that it would stick to its original plan at its September meeting, but that discussions on whether a halt in output rise should happen later in the year would take place in the context of Asian economies battling new infections.

The fresh curbs in Asian countries to stop the spread of the virus also led the International Energy Agency to lower its oil demand forecasts for the rest of the year.

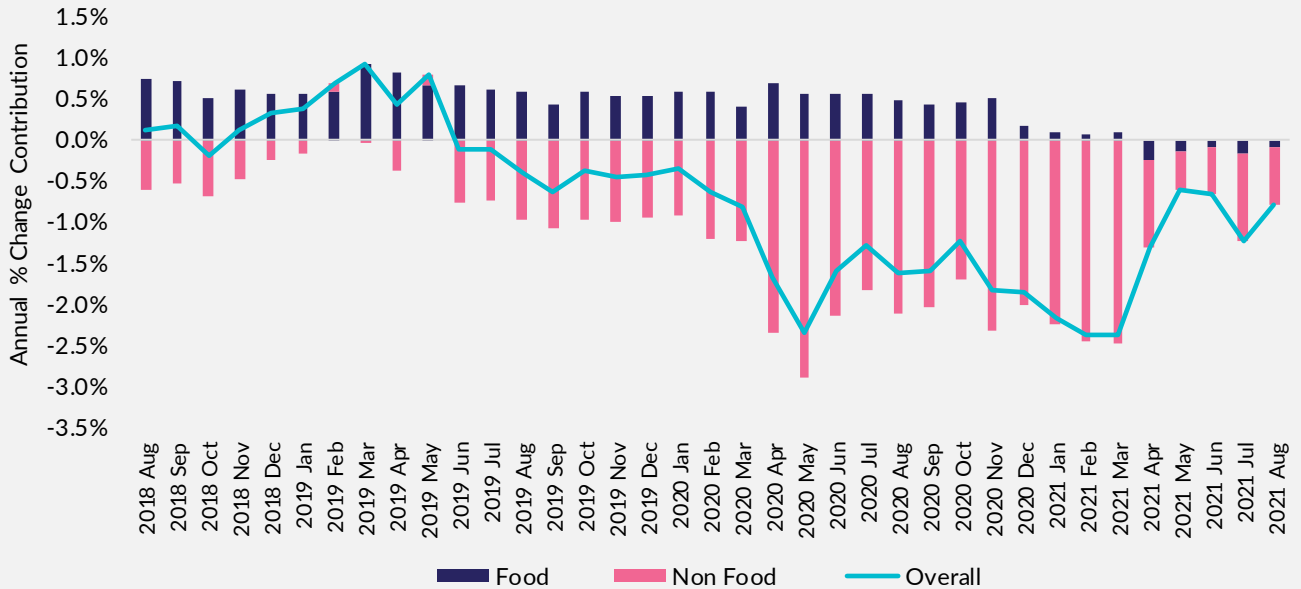
August YoY change

58%

August MoM change

-6%

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



FOOD & NON-FOOD

Food deflation decelerated to 0.2% in August from July's deflation of 0.4%. This is the fifth consecutive month when Food prices fell. This is below the 12-month average price growth rate of 0.3% and in line with the 6-month average price growth rate of -0.2%.

Food

-0.2%

August, YOY change

Non-Food deflation slowed to 1.2% in August, compared to a fall of 1.8% in July. This is a slower rate of decline than the 12- and 6-month average price declines of 2.6% and 1.8%, respectively.

Non-Food

-1.2%

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-21	-0.2	0.2	-0.6	0.1	0.3	0.2
Jul-21	-0.4	-0.1	-1.0	-0.1	0.5	-0.1

FRESH FOOD

Fresh Food prices fell for the ninth consecutive month in August, with deflation easing to 0.6% from a decline of 1.0% in July. This is in line with the 12-month average price growth rate of -0.6% and below the 6-month average price growth of -0.9%. Monthly prices increased by 0.1%.

Three out of the seven categories of the Fresh Food index recorded annual price declines in August. Deflation eased for **Meat**, **Vegetable** and **Fruit**. Inflation accelerated for **Fish** and **Milk & Cheese**, but eased for **Convenience Food**. **Oils & Fats** crossed into inflationary territory following four months of annual price rises.

August UK Dairy wholesale prices (See Chart) saw annual increases for all categories, with prices of Bulk Cream rising by 6%, of Butter by 7%, of Skim Milk Powder by 15% and of Mild Cheddar by 3%.

Monthly prices rose by 4% for Bulk Cream, 2% for Butter, 1% for Skim Milk Powder and 1% for Mild Cheddar.

AMBIENT FOOD

Ambient Food inflation eased to 0.3% in August, down from 0.5% in July. This is the lowest rate of inflation for the category since January 2017. This is below the 12- and 6-month average price increases of 1.5% and 0.8%, respectively. Monthly prices rose by 0.2%.

Annual inflation eased for **Bread & Cereals** and **Sugar & Confectionery** products, but accelerated for **Alcoholic Beverages**. **Non-Alcoholic Beverages** deflation deepened.

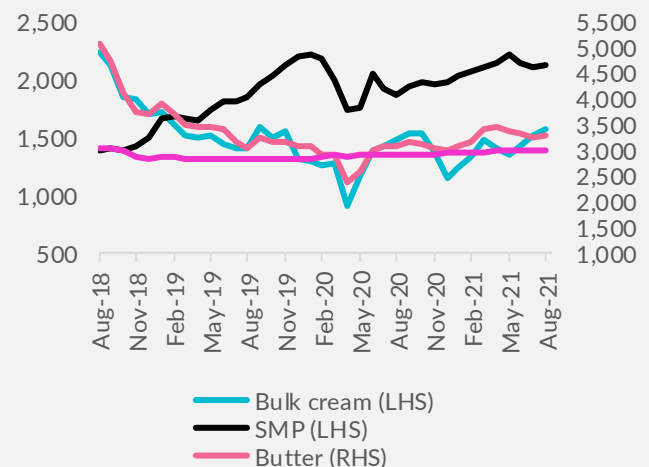
Fresh food prices fell for the ninth consecutive month in August.

UK WHOLESALE DAIRY PRICES, AUG 2021

	Bulk cream	Butter	Skim Milk Powder	Mild cheddar
YoY	6%	7%	15%	3%
MoM	4%	2%	1%	1%

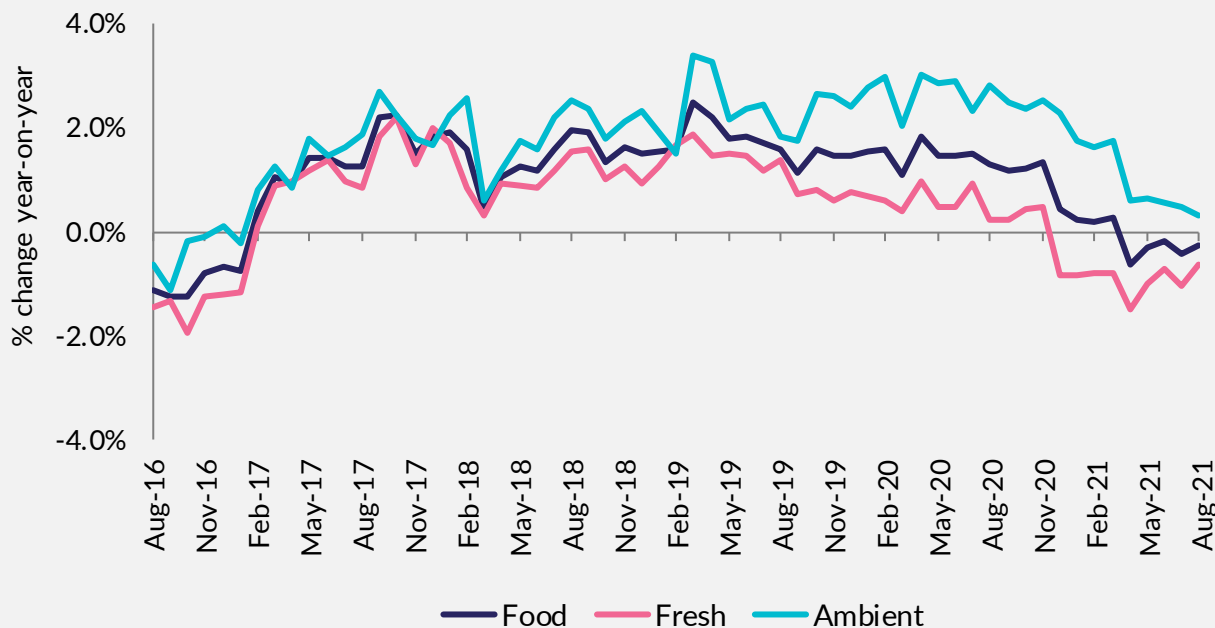
Source: Agricultural & Horticulture Development Board Dairy.

UK WHOLESALE DAIRY PRICES, AUG 2021



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

FOOD INFLATION



UK PRODUCE PRICES

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 of 21% for cauliflower, and the largest price rise was of 80% for plum tomatoes.

Similarly, Fruit inflation varied by product. Strawberry prices were 56% higher on the year, while prices of Bramley's apples fell by 25%.

WHOLESALE PRODUCE PRICE CHANGES, AUGUST 2021, YOY

Plum tomatoes	80%
Red cabbage	70%
Coriander bunch	38%
Red onion	32%
Green capsicum	26%
Beetroot	24%
Celeriac	19%
Courgettes	13%
Curly kale	12%
Parsnips	3%
Leeks	-3%
Cucumbers	-14%
Red capsicum	-15%
Cauliflower	-21%
Strawberries	56%
Early season apples	46%
Raspberries	10%
Blueberries	-7%
Conference pears	-17%
Bramley's apples	-25%

Source: DEFRA wholesale prices of home-grown produce in England and Wales. August 2021 prices are average of prices in weeks ending: 6/08, 13/08, 20/08 and 27/08.

	AUG		JUL	
	On last year	On last month	On last year	On last month
Clothing & Footwear	-9.0	-0.3	-8.7	-1.0
Books, Stationery & Home Entertainment	-0.5	-1.1	0.4	0.3
Other Non-Food	0.2	1.1	-0.5	-1.1
DIY, Gardening & Hardware	0.4	0.0	-0.1	0.3
Electricals	0.8	-0.2	0.4	0.9
Health & Beauty	0.9	-0.1	0.6	0.1
Furniture & Floorcovering	1.9	2.2	0.0	-1.8
Total Non-Food	-1.2	0.6	-1.8	-0.7

NON-FOOD

Non-Food deflation slowed to 1.2% in August, compared to a fall of 1.8% in July. This is a slower rate of decline than the 12- and 6-month average price declines of 2.6% and 1.8%, respectively. On the month, prices rose by 0.6%.

Non-Food categories saw a mix of inflationary and deflationary trends, with annual prices falling for two out of the seven categories of the index. On the month, prices fell for four categories.

Books & Stationery prices fell into deflationary territory in August, with prices falling by 0.5% compared to a rise of 0.4% in July. This is the first time that the category saw deflation since September 2018. This is below the 12- and 6-month average price increases of 2.0% and 1.1%, respectively. **Home Entertainment** yearly deflation eased in August, **Stationery** inflation accelerated, prices for **Books & Magazines** fell, the first fall since September 2018. On the month, prices fell by 1.1%.

Health & Beauty inflation accelerated to 0.9% in August, up from 0.6% in July. This is above the 12- and 6-month average price growth rates of 0.3% and -0.1%, respectively. Inflation for **Toiletries & Cosmetics** eased and **Personal Care products** crossed into inflationary territory. Month-on-month, prices decreased by 0.1%.

Furniture prices rose by 1.9% in August up from 0.0% in July. This is above the 12- and 6-month average price growth rates of 0.0% and 1.4%, respectively. Inflation accelerated for **Household Textiles** and **Furniture & Furnishings** crossed back into inflationary territory. Monthly prices rose by 2.2%.

Monthly prices rose for four out of the seven categories of the Non-Food index.

	AUG		JUL	
	On last year	On last month	On last year	On last month
Clothing & Footwear	-9.0	-0.3	-8.7	-1.0
Books, Stationery & Home Entertainment	-0.5	-1.1	0.4	0.3
Other Non-Food	0.2	1.1	-0.5	-1.1
DIY, Gardening & Hardware	0.4	0.0	-0.1	0.3
Electricals	0.8	-0.2	0.4	0.9
Health & Beauty	0.9	-0.1	0.6	0.1
Furniture & Floorcovering	1.9	2.2	0.0	-1.8
Total Non-Food	-1.2	0.6	-1.8	-0.7

NON-FOOD (cont.)

DIY & Gardening crossed into inflationary territory for the first time since September 2019. In August, prices rose by 0.4%, up from -1.0% in July. This is above the 12- and 6-month average price growth rates of -2.3% and -0.9%, respectively. Deflation continued to ease for **Tools & Equipment**, while inflation for **Glassware & Tableware** accelerated. Month-on-month, prices did not change.

Other Non-Food prices rose by 0.2% in August up from -0.5% in July. This is above the 12-month average price growth rate of -1.0% and in line with the 6-month average price growth rate of -0.5%. Inflation eased for **Tobacco** and **Recreation products**. Deflation deepened for **Non-Durable Household** goods, but eased for **Personal Effects** goods. **Pets & Related** crossed into deflationary territory. Month-on-month, prices rose by 1.1%.

Electricals prices rose by 0.8% in August, up from 0.4% in July. This is the highest inflation rate for the category since our records started in 2006. This is above the 12- and 6-month average price growth rates of -0.1% and 0.1%, respectively. In August, annual inflation accelerated for **Household Appliances**, while **Audio-Visual Equipment** deflation accelerated. Month-on-month, prices decreased by 0.2%.

Clothing & Footwear, the most deflationary category of the Non-Food index, saw *deflation* accelerating to 9.0% in August compared to a decline of 8.7% in July. This is above the 12- and 6-month average price growth rates of -10.5% and -9.2%, respectively. In August, annual prices fell for all Clothing categories, except **Baby Clothing** which saw prices rise following two months of deflation. Deflation eased for **Other Clothing** and **Children's Clothing**, but deepened for **Men's Clothing**, **Women's Clothing** and **Footwear**. Month-on-month, prices fell by 0.3%.

Annual prices for Books & Stationery fell for the first time since September 2018.

HEADLINE YEAR ON YEAR CHANGE

	OVERALL	NON-FOOD	FOOD	FRESH	AMBIENT
Aug-20	-1.6	-3.4	1.3	0.2	2.8
Sep	-1.6	-3.2	1.2	0.2	2.5
Oct	-1.2	-2.7	1.2	0.4	2.3
Nov	-1.8	-3.7	1.3	0.5	2.5
Dec	-1.8	-3.2	0.4	-0.9	2.3
Jan	-2.2	-3.6	0.2	-0.8	1.7
Feb	-2.4	-3.9	0.2	-0.8	1.6
Mar	-2.4	-4.0	0.3	-0.8	1.7
Apr	-1.3	-1.7	-0.6	-1.5	0.6
May	-0.6	-0.8	-0.3	-1.0	0.7
Jun	-0.7	-1.0	-0.2	-0.7	0.6
Jul	-1.2	-1.8	-0.4	-1.0	0.5
Aug-21	-0.8	-1.2	-0.2	-0.6	0.3

HEADLINE MONTH ON MONTH CHANGE

	OVERALL	NON-FOOD	FOOD	FRESH	AMBIENT
Aug-20	0.0	0.0	0.0	-0.3	0.4
Sep	-0.1	-0.1	-0.2	-0.1	-0.3
Oct	0.3	0.3	0.2	-0.1	0.6
Nov	-0.6	-0.9	0.0	-0.2	0.2
Dec	-0.1	0.5	-1.0	-0.9	-1.1
Jan	-0.7	-1.4	0.6	0.3	0.9
Feb	0.2	0.1	0.3	0.3	0.2
Mar	-0.1	-0.1	-0.1	-0.1	0.0
Apr	-0.3	-0.4	0.0	0.0	0.0
May	0.2	0.4	-0.1	-0.2	0.0
Jun	0.3	0.5	0.1	0.3	-0.3
Jul	-0.5	-0.7	-0.1	-0.1	-0.1
Aug-21	0.4	0.6	0.2	0.1	0.2

CATEGORY YEAR ON YEAR CHANGE

	CLOTHING & FOOTWEAR	FURNITURE & FLOOR COVERING	ELECTRICALS	DIY, GARDENING & HARDWARE	BOOKS, STATIONERY & HOME ENT.	HEALTH & BEAUTY	OTHER NON-FOOD
Aug-20	-10.3	-3.2	-2.2	-3.0	3.2	0.3	-0.7
Sep	-10.3	-2.2	-1.3	-3.9	3.3	1.1	-1.4
Oct	-9.4	-1.7	0.4	-3.1	2.8	0.9	-1.2
Nov	-12.2	-2.2	0.2	-4.7	4.2	0.5	-1.4
Dec	-11.3	-2.1	-0.2	-3.7	4.0	1.3	-1.0
Jan	-13.1	-0.2	-0.2	-2.7	1.7	0.1	-2.4
Feb	-14.0	-0.4	-0.4	-3.5	1.3	-0.6	-1.6
Mar	-14.2	-0.7	-0.3	-3.3	2.9	-0.7	-1.9
Apr	-9.4	3.3	-0.4	-1.5	0.8	0.1	-1.3
May	-5.9	2.8	0.5	-0.3	1.0	-1.1	-0.1
Jun	-7.5	1.7	-0.1	-0.2	1.3	0.0	0.6
Jul	-8.7	0.0	0.4	-0.1	0.4	0.6	-0.5
Aug-21	-9.0	1.9	0.8	0.4	-0.5	0.9	0.2

CATEGORY MONTH ON MONTH CHANGE

	CLOTHING & FOOTWEAR	FURNITURE & FLOOR COVERING	ELECTRICALS	DIY, GARDENING & HARDWARE	BOOKS, STATIONERY & HOME ENT.	HEALTH & BEAUTY	OTHER NON-FOOD
Aug-20	0.0	0.3	-0.6	-0.6	-0.2	-0.3	0.4
Sep	0.0	-0.3	-0.1	-1.1	0.2	0.5	0.2
Oct	-0.2	1.4	0.6	0.7	-0.1	-0.2	-0.3
Nov	-2.7	-0.6	0.0	-1.3	1.0	-0.4	0.0
Dec	0.5	1.1	-0.2	0.8	-0.5	0.8	-0.1
Jan	-4.1	-1.7	-0.7	0.5	-1.3	-0.1	-0.7
Feb	-1.4	1.3	0.7	-0.1	-0.3	-0.2	0.7
Mar	-0.5	0.1	-0.3	0.1	1.6	-0.2	-0.3
Apr	-0.6	-0.4	-0.2	0.0	-1.1	0.5	-0.9
May	1.1	0.7	0.4	0.3	0.3	-0.7	0.3
Jun	0.0	-0.1	-0.1	0.4	0.4	0.7	1.2
Jul	-1.0	-1.8	0.9	0.3	0.3	0.1	-1.1
Aug-21	-0.3	2.2	-0.2	0.0	-1.1	-0.1	1.1

CATEGORY INDEX

	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-20	100.39	142.65	136.48	151.85	81.99	40.54	89.67	59.00	108.18	103.87	116.89	113.68
Sep	100.24	142.40	136.35	151.40	81.88	40.52	89.36	58.97	106.95	104.07	117.52	113.93
Oct	100.52	142.65	136.17	152.33	82.16	40.45	90.65	59.29	107.68	104.02	117.34	113.61
Nov	99.96	142.61	135.93	152.60	81.44	39.36	90.07	59.30	106.32	105.04	116.93	113.60
Dec	99.90	141.20	134.72	150.88	81.84	39.55	91.04	59.21	107.21	104.50	117.88	113.52
Jan	99.23	142.00	135.15	152.26	80.70	37.94	89.50	58.77	107.74	103.17	117.71	112.78
Feb	99.41	142.36	135.54	152.58	80.80	37.41	90.65	59.17	107.62	102.91	117.48	113.62
Mar	99.35	142.29	135.42	152.59	80.75	37.22	90.78	59.02	107.73	104.59	117.30	113.33
Apr	99.10	142.34	135.47	152.62	80.41	36.98	90.42	58.89	107.68	103.46	117.89	112.27
May	99.30	142.18	135.23	152.57	80.71	37.37	91.03	59.11	107.97	103.76	117.11	112.58
Jun	99.64	142.26	135.65	152.15	81.09	37.38	90.97	59.07	108.38	104.19	117.98	113.89
Jul	99.16	142.09	135.48	151.98	80.56	37.01	89.34	59.60	108.65	104.48	118.05	112.67
Aug-21	99.59	142.30	135.61	152.32	81.02	36.88	91.33	59.49	108.61	103.35	117.96	113.90

About this monitor

The SPI is administered by NielsenIQ, who collate and analyse the data on behalf of the BRC. Economic analysis is managed 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



DR. LILIANA DANILA
ECONOMIST

E: liliana.danila@brc.org.uk
T: 020 7854 8920

