



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

A summary of key pressures on
future prices

SHOP PRICE INDEX

Period covered: 01-07 July 2021

Strictly embargoed until 0.01hrs, Wednesday 28 July 2021

July 2021



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Headline commentary



“UK consumers will be pleased to see another month of falling prices at the checkout. Annual prices in July fell at a faster rate than the previous month due to fierce competition between supermarkets keeping food prices low, and the steeper fall in non-food prices. With the reopening of some holiday destinations and other recreational activities, consumers broadened their spending to include more leisure and travel. In response, non-food retailers, particular fashion businesses, have been working hard to keep consumer appetite alive with summer sales.

“Unfortunately for consumers, low prices may not last forever. Recently, retailers have faced huge cost pressures as a result of rising costs of shipping, haulage and petrol as well as frictions from exiting the EU. The additional paperwork and physical checks on EU imports in October and January may push prices up in the long-term. Government should do all it can to minimise the impact on consumers by reducing any further frictions and costly delays where it can.”

Helen Dickinson OBE | Chief Executive | British Retail Consortium



“It’s an uncertain time for many households as the economy slowly reopens and recent NielsenIQ research shows 41% of all shoppers are watching their spend more than they did before the pandemic. So, it’s important that retailers continue to keep prices low especially as the increase in CPI is likely to lead to different shopping behaviours to help pay for the other increases in household spend.”

Mike Watkins | Head of Retailer and Business Insight | NielsenIQ

Executive Summary

Shop Prices fell in July at a faster annual rate than the previous month as both Food and Non-Food prices fell at a steeper rate. Fierce competition between supermarkets kept Food price rises at bay, and signs of slowing household spend led many Non-Food retailers to offer discounts to keep shoppers' interest alive. Rises in commodity prices and supply chain costs are expected to filter onto Shop Prices in the coming months. However, the evolution of the virus and public attitudes to socialising in the context of rising infections will determine whether retailers in sectors depending on discretionary spend will be able to pass on those costs increases.

All prices

Shop Price deflation accelerated to 1.2% year-on-year in July compared to June's decrease of 0.7%. This is a slower rate of decline than the 12- and 6-month average price decreases of 1.6% and 1.4%, respectively.

-1.2%
% change year on year

Non-Food

Non-Food deflation accelerated to 1.8% in July, compared to a fall of 1.0% in June. This is a slower rate of decline than the 12- and 6-month average price declines of 2.8% and 2.2%, respectively.

-1.8%
% change year on year

Food

Food deflation accelerated to 0.4% in July from June's deflation of 0.2%. This is the fourth consecutive month when Food prices fell. This is below the 12- and 6-month average price changes of 0.4% and -0.2%, respectively.

-0.4%
% change year on year

Fresh

Fresh Food prices fell for the eighth consecutive month in July, with deflation accelerating to 1.0% in July from 0.7% in June. This is below the 12- month average price growth rate of -0.5% and in line with the 6-month average price growth of -1.0%.

-1.0%
% change year on year

Ambient

Ambient Food inflation eased to 0.5% in July, down from 0.6% in June. 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 1.7% and 1.0%, respectively.

0.5%
% 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
Jul-21	-1.2	-0.5	-0.4	-0.1	-1.8	-0.7
Jun-21	-0.7	0.3	-0.2	0.1	-1.0	0.5

RETAILERS KEEP PRICES LOW

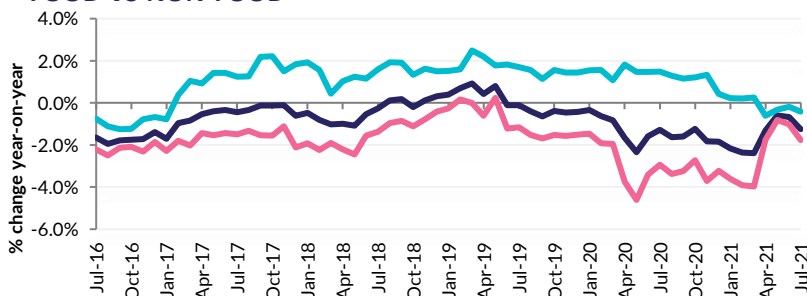
Shop Prices fell in July at a faster annual rate than the previous month as both Food and Non-Food prices fell at a steeper rate. Food prices were 1.0% lower on the year, the fourth consecutive month of declines. Non-Food prices fell at an accelerated rate of 1.8%, bringing annual Shop price deflation at -1.2%.

Despite significant cost rises across supply chains, competition and slowing demand have muted upward price pressures in retail. Prices of many inputs have been on the rise since the beginning of this year, and that at double-digit rates. June global food prices were 33% higher on the year, July commodities prices up 52%, oil prices 76%, and shipping costs have quadrupled since November 2019.

It takes between 7 to 12 months for supply chain costs increases to filter through onto Food prices, and between 12-24 months for input cost rises to be passed onto Non-Food prices.

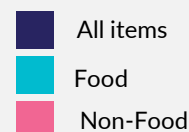
However, there's little evidence of rising Food prices. July Fresh Food prices were lower on the year (-1.0%) and on the month (-0.1%), while Ambient Food prices were higher on the year, albeit at the slowest rate of increase since January 2017 (0.5%), but lower on the month (-0.1%). Moreover, Food demand remains resilient, with BRC-KPMG sales rising by 7.9% over the three months to June. The mismatch between supply costs rises and the muted price increases on the shelves suggests that fierce competition between grocers keeps Food price rises at bay. During the financial crisis, grocers with the lowest prices gained market share. As such, in the current climate of uncertainty and increasingly price-conscious consumers, grocers choose to accept lower profit margins to maintain their market share.

FOOD VS NON-FOOD



Source: BRC-NielsenIQ

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



% Change	OVERALL SPI		FOOD		NON-FOOD	
	On last year	On last month	On last year	On last month	On last year	On last month
Jul-21	-1.2	-0.5	-0.4	-0.1	-1.8	-0.7
Jun-21	-0.7	0.3	-0.2	0.1	-1.0	0.5

RETAILERS KEEP PRICES LOW(cont.)

However, higher costs cannot be absorbed indefinitely, and we expect price rises to take hold in the coming months, as large consumer goods producers have started increasing their prices and other supply chain cost pressures will start filtering through. Brexit checks on food products implemented at borders starting October will add to upward pressures.

For the Non-Food sector, signs of slowing household spend led many retailers to offer discounts to keep shoppers' interest alive. Moreover, with the economy opening up, social and leisure activities are competing for share of wallet with Non-Food retail. In June, while sales of clothing and footwear have recorded double-digit growth, categories that had seen a boom during lockdown, such as technology, home accessories and furnishings, have seen declines.

Non-Food retailers are also faced with upward price pressures from higher supply chain costs, but their ability to pass on those cost might be limited by future developments in the economy. One potential threat to the continuous recovery of Non-Food retail is the desire of the public to self-isolate to protect their health. Despite all restrictions being lifted in England, the current rise in infections makes many people nervous to socialise. According to mid-July UGOV poll, 70% of people feel comfortable shopping at supermarkets or on the high street. While that is a higher proportion than 56% comfortable going to bars or 38% comfortable with using public transport, that still means that almost a third of people are not willing to go shopping. If demand is sluggish, price increases are not feasible, as they would trigger a further decline in spending.

The other future risk for Non-Food retail is a potential deterioration of the labour market once the furloughing scheme unwinds. As the delta variant has pushed business optimism in July about the year ahead to the lowest seen so far this year, spending, hiring and investing might be reduced, pushing more households into financial hardship. That would impact negatively discretionary spend, leaving little room for price rises.

In sum, price rises are on the horizon. The extent to which they will be passed onto Shop Prices depends on the evolution of the virus and its implications for foregone shopping trips, spending, and businesses decisions on hiring and investment.

Global food prices were 33% higher in June compared to a year ago.

UK INPUT & OUTPUT INFLATION

June Output prices (for goods leaving the factory) rose year-on-year for the sixth consecutive month, with prices rising by 4.3%, down from 4.4% (revised) in May. On the month, prices rose by 0.4%, the ninth 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.

June Input prices (materials and fuels) rose year-on-year by 9.1%, down from 10.4% (revised) in May. On the month, they fell by 0.1%. Of the ten product groups, eight provided positive contributions to the input annual rate. 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.

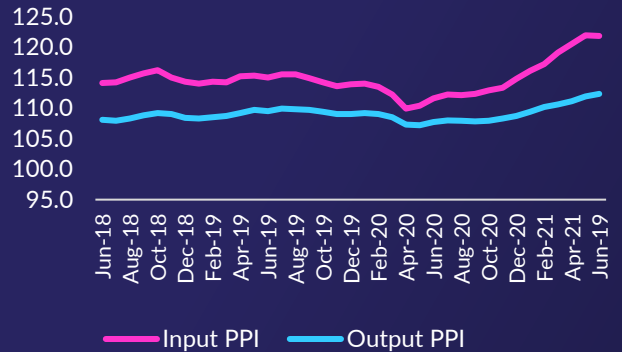
GLOBAL COMMODITY PRICES

Commodity prices continued their rally in July. The Thomson Reuters/Core Commodity CRB Index, a weighted commodities benchmark, rose by 51.8% on the year and by 1.9% on the month. Using the 3-month average figures for comparison, July prices are 57.0% on the year and 4.3% 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

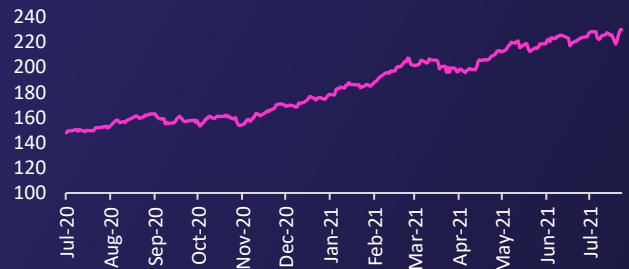
Global food prices fell in June following twelve consecutive monthly increases. Prices were 2.5% lower than in June, but still 33.8% higher than a year ago. The drop in June reflected declines in the prices of vegetable oils, cereals and dairy prices, which more than offset generally higher meat and sugar quotations.

PRODUCER PRICE INDEX (PPI)



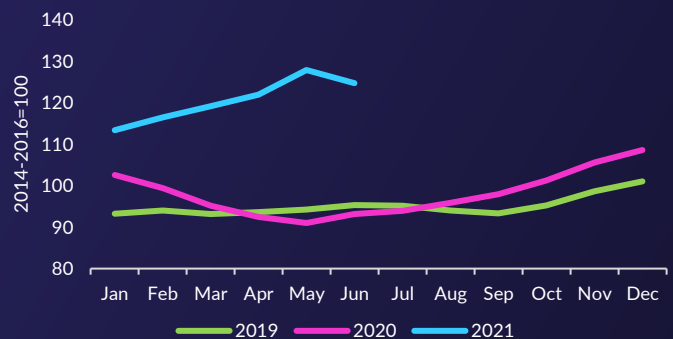
Source: ONS

COMMODITY PRICE INDEX



Source: Refinitiv (formerly Thompson Reuters)

GLOBAL FOOD PRICE INDEX



Source: UN, The Food and Agricultural Organisation

GLOBAL FOOD PRICES -- JUNE

Global food prices fell in June following twelve consecutive monthly increases. Prices were 2.5% lower than in June, but still 33.8% higher than a year ago. The drop in June reflected declines in the prices of vegetable oils, cereals and dairy prices, which more than offset generally higher meat and sugar quotations.



SUGAR

Prices rose 43.8% year-on-year

June Sugar prices rose by 43.8% on the year and by 0.8% 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 exerted upward pressure on prices. By contrast, good production and export prospects in India offset some of the upward pressures.



MEAT

Prices rose by 15.6% year-on-year

Meat prices increased by 15.6% on the year and by 2.0% on the month. Robust global demand and tightening export supplies pushed prices up for all meat types in June. Different factors limited exports: low poultry meat inventories in the US, limited supply of slaughter-ready animals in Brazil and Oceania, and some recovery in food services sales in major exporting countries.



DAIRY

Prices rose 22.0% year-on-year

Dairy prices rose by 22.0% on the year, but fell by 1.0% on the month. A significant drop in global import demand triggered a fall in prices for all dairy products. Lower global demand pushed prices down for whole and skim milk powder and cheese.



CEREALS

Prices increased 33.8% year-on-year

Cereals prices rose by 33.8% on the year, the tenth consecutive month of double-digit annual increases, but decreased by 2.6% on the month. Maize prices fell by 5.0% on the month, but remain 72% higher than a year ago. Higher than expected output in Argentina and Brazil and improved crop production in the US put downward pressures on prices. Wheat prices fell on improved production prospects in many key producing countries. Rice prices declined as high freight costs and container shortages continued to limit export sales.

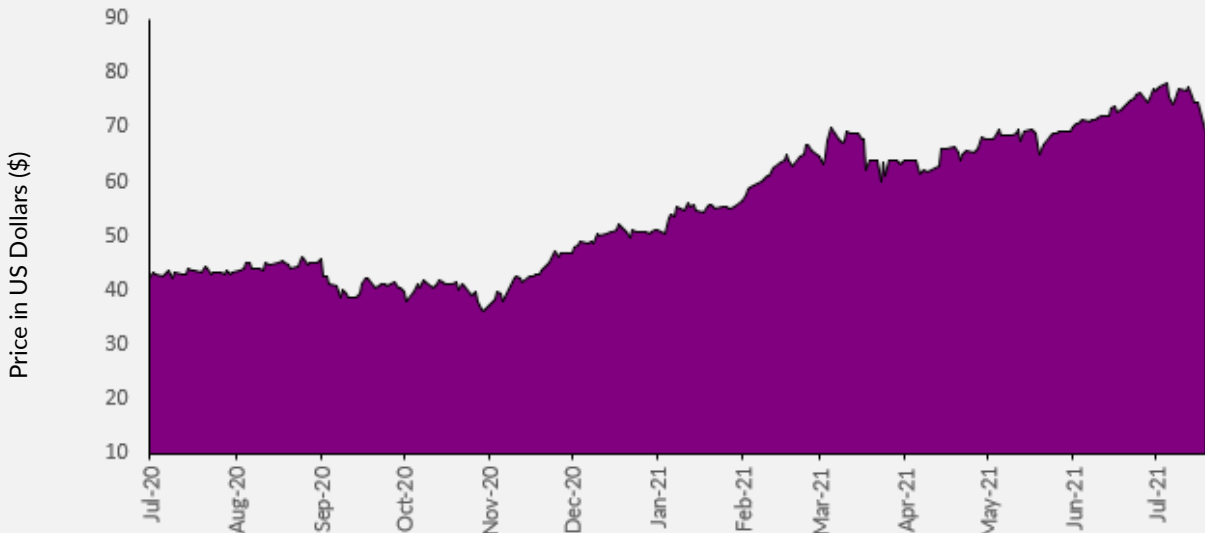


VEGETABLE OILS

Prices rose 81.9% year-on-year

Vegetable Oils prices rose by 81.9% on the year and fell by 9.8% on the month. The sizeable month-on-month drop mainly reflects lower prices of palm, soy and sunflower oils. Good production prospects and subdued demand pushed oil prices down. Low demand put downward pressure on prices of soy and sunflower oils. Expected demand recovery in Europe boosted rapeseed prices.

GLOBAL BRENT CRUDE, DAILY SPOT PRICE



Source: US Energy Information Administration

OIL PRICES

Oil prices continued to rise in July, averaging \$75/barrel, significantly above last year's level of \$43/barrel and above pre-pandemic levels also, with prices in December 2019 in the high \$60's.

Following some internal disagreements, OPEC+ reached an agreement to increase production in August, albeit by a modest amount of 400,000 barrels/ day, and to continue to gradually increase output until the end of the year, undoing the cuts put in place at the beginning of the pandemic.

Despite the growing concerns that the rapid spread of the Delta variant amidst a shortage of vaccines at the international level threatens the global recovery, demand growth is expected to outpace supply growth over the next coming months, lending support to higher oil prices.

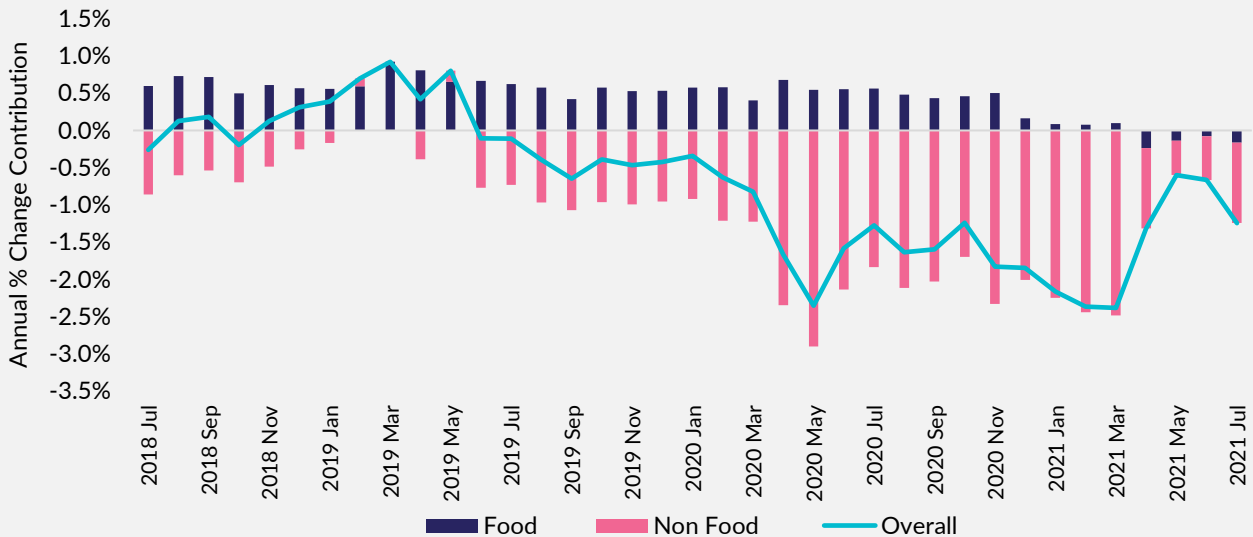
July YoY change

76%

July MoM change

5%

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



Source: BRC-NielsenIQ

FOOD & NON-FOOD

Food deflation accelerated to 0.4% in July from June's deflation of 0.2%. This is the fourth consecutive month when Food prices fell. This is below the 12- and 6-month average price changes of 0.4% and -0.2%, respectively.

Food

-0.4%

July, YOY change

Non-Food deflation accelerated to 1.8% in July, compared to a fall of 1.0% in June. This is a slower rate of decline than the 12- and 6-month average price declines of 2.8% and 2.2%, respectively.

Non-Food

-1.8%

July, YOY change

% Change	FOOD		FRESH		AMBIENT	
	On last year	On last month	On last year	On last month	On last year	On last month
Jul-21	-0.4	-0.1	-1.0	-0.1	0.5	-0.1
Jun-21	-0.2	0.1	-0.7	0.3	0.6	-0.3

FRESH FOOD

Fresh Food prices fell for the eighth consecutive month in July, with deflation accelerating to 1.0% in July from 0.7% in June. This is below the 12-month average price growth rate of -0.5% and in line with the 6-month average price growth of -1.0%. Monthly prices decreased by 0.1%.

Four out of the seven categories of the Fresh Food index recorded annual price declines in July. Deflation deepened for **Oils & Fats, Vegetable and Fruit**, and eased for **Meat**. Inflation accelerated for **Convenience Food** and eased for **Fish and Milk & Cheese**.

July UK Dairy wholesale prices (See Chart) saw annual increases for all categories, with prices of Bulk Cream rising by 5%, of Butter by 5%, of Skim Milk Powder by 10% and of Mild Cheddar by 2%.

Monthly prices fell by 3% for Butter and by 2% for Skim Milk Powder. Prices of Mild Cheddar rose by 2% and of Bulk Cream 5%.

AMBIENT FOOD

Ambient Food inflation eased to 0.5% in July, down from 0.6% in June. 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 1.7% and 1.0%, respectively. Monthly prices fell by 0.1%.

Annual inflation eased for **Bread & Cereals**, but accelerated for **Sugar & Confectionery** products. Deflation for **Non-Alcoholic Beverages** slowed, while prices for **Alcoholic Beverages** crossed into inflationary territory.

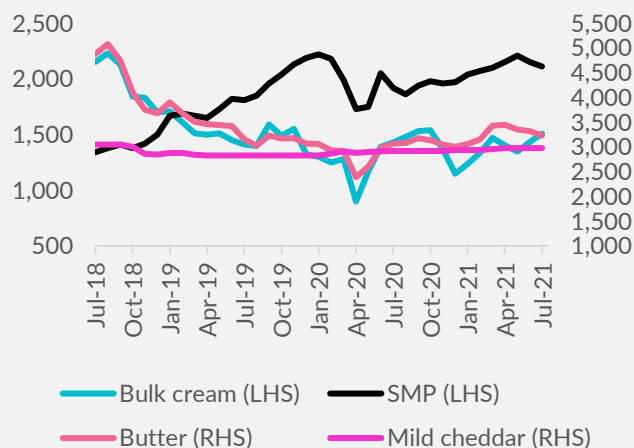
Fresh food prices fell for the eighth consecutive month in July.

UK WHOLESALE DAIRY PRICES, JULY 2021

	Bulk cream	Butter	Skim Milk Powder	Mild cheddar
YoY	5%	5%	10%	2%
MoM	5%	-3%	-2%	0%

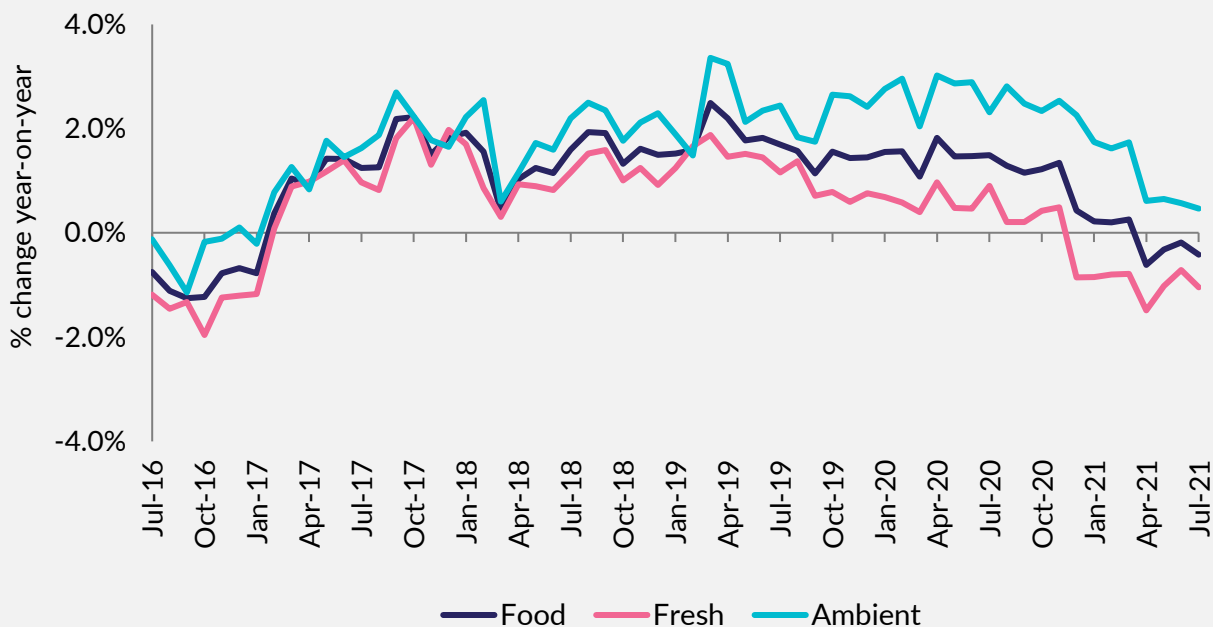
Source: Agricultural & Horticulture Development Board Dairy.

UK WHOLESALE DAIRY PRICES, JULY 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 July.

Changes in Vegetable prices varied, with prices falling for half of the products reported. The largest price decline was of 47% for brown onions, and the largest price rise was of 114% for plum tomatoes.

Similarly, Fruit inflation varied by product. Plums prices were 63% higher on the year, while prices of Bramley's apples fell by 54%.

WHOLESALE PRODUCE PRICE CHANGES, JULY 2021, YOY

Plum tomatoes	114%
Beetroot	50%
Red capsicums	43%
Courgettes	16%
Cauliflower	13%
Celeriac	12%
Curly kale	10%
Savoy cabbage	9%
Cucumbers	8%
Parsnips	5%
Carrots	-2%
Leeks	-9%
Asparagus	-13%
Vine tomatoes	-19%
Brown onions	-47%
Plums	63%
Cherries	44%
Blueberry	25%
Raspberries	8%
Strawberries	-11%
Gala apples	-22%
Bramley's apples	-54%

Source: DEFRA wholesale prices of home-grown produce in England and Wales. July 2021 prices are average of prices in weeks ending: 2/07, 9/07, 16/07 and 23/07.

	JUL		JUN	
	On last year	On last month	On last year	On last month
Clothing & Footwear	-8.7	-1.0	-7.5	0.0
Other Non-Food	-0.5	-1.1	0.6	1.2
DIY, Gardening & Hardware	-0.1	0.3	-0.2	0.4
Furniture & Floorcovering	0.0	-1.8	1.7	-0.1
Electricals	0.4	0.9	-0.1	-0.1
Books, Stationery & Home Entertainment	0.4	0.3	1.3	0.4
Health & Beauty	0.6	0.1	0.0	0.7
Total Non-Food	-1.8	-0.7	-1.0	0.5

NON-FOOD

Non-Food deflation accelerated to 1.8% in July, compared to a fall of 1.0% in June. This is a slower rate of decline than the 12- and 6-month average price declines of 2.8% and 2.2%, respectively.

On the month, prices rose by 0.5%, the second consecutive monthly rise.

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

Books & Stationery annual inflation slowed to 0.4% in July, down from 1.3% in June. This is the lowest inflation rate for the category since September 2018. This is below the 12- and 6-month average price increases of 2.3% and 1.3%, respectively. **Home Entertainment** yearly deflation deepened in July, **Stationery** prices rose at the same pace as in June, while inflation for **Books & Magazines** eased. On the month, prices rose by 0.3%.

Health & Beauty prices rose by 0.6% in July compared to no growth recorded in June. This is above the 12- and 6-month average price growth rates of 0.2% and -0.3%, respectively. Inflation for **Toiletries & Cosmetics** accelerated and **Personal Care products** deflation slowed. Month-on-month, prices increased by 0.1%.

Furniture prices were unchanged in July from last year. That compared to a rise of 1.7% in June. This is above the 12-month average price growth rate of -0.4%, but below the 6-month average price growth rate 1.1%. Inflation slowed for **Household Textiles** and **Furniture & Furnishings** crossed into deflationary territory. Monthly prices fell by 1.8%.

Monthly prices rose for three out of the seven categories of the index.

	JUL		JUN	
	On last year	On last month	On last year	On last month
Clothing & Footwear	-8.7	-1.0	-7.5	0.0
Other Non-Food	-0.5	-1.1	0.6	1.2
DIY, Gardening & Hardware	-0.1	0.3	-0.2	0.4
Furniture & Floorcovering	0.0	-1.8	1.7	-0.1
Electricals	0.4	0.9	-0.1	-0.1
Books, Stationery & Home Entertainment	0.4	0.3	1.3	0.4
Health & Beauty	0.6	0.1	0.0	0.7
Total Non-Food	-1.8	-0.7	-1.0	0.5

NON-FOOD (cont.)

DIY & Gardening deflation eased again in July, with prices falling by 0.1%, compared to a decline of 0.2% in June. This is the slowest rate of decline since November 2019. This is above the 12- and 6-month average price growth rates of -2.5% and -1.5%, respectively. Deflation eased for **Tools & Equipment**, while inflation for **Glassware & Tableware** accelerated. Month-on-month, prices increased by 0.3%.

Other Non-Food prices returned to deflation following a month of increases. July prices were 0.5% lower on last year, compared to a rise of 0.6% in June. This is above the 12- and 6-month average price growth rates of -1.1% and -0.8%, respectively. Inflation eased for **Pets & Related, Recreation products** and **Tobacco**. Deflation deepened for **Personal Effects** goods, while **Non-Durable Household** goods crossed back into deflationary territory. Month-on-month, prices fell by 1.1%.

Electricals prices rose by 0.4% in July, up from -0.1% in June. This is above the 12- and 6-month average price growth rates of -0.3% and -0.1%, respectively. In July, annual inflation accelerated for **Household Appliances**, while **Audio-Visual Equipment** deflation eased. Month-on-month, prices increased by 0.9%.

Clothing & Footwear, the most deflationary category of the Non-Food index, saw deflation accelerating to 8.5% in July compared to a decline of 7.5% in June. This is above the 12- and 6-month average price growth rates of -10.6% and -10.0%, respectively. Annual prices fell for all Clothing categories in July. Deflation eased for **Footwear** and **Children's Clothing**, but deepened for **Baby Clothing, Men's Clothing, Women's Clothing**, and **Other Clothing**. Month-on-month, prices fell by 1.0%.

Prices for DIY & Gardening fell at the slowest rate since November.

HEADLINE YEAR ON YEAR CHANGE

	OVERALL	NON-FOOD	FOOD	FRESH	AMBIENT
Jul-20	-1.3	-2.9	1.5	0.9	2.3
Aug	-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-21	-1.2	-1.8	-0.4	-1.0	0.5

HEADLINE MONTH ON MONTH CHANGE

	OVERALL	NON-FOOD	FOOD	FRESH	AMBIENT
Jul-20	0.1	0.1	0.1	0.2	0.0
Aug	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-21	-0.5	-0.7	-0.1	-0.1	-0.1

CATEGORY YEAR ON YEAR CHANGE

	CLOTHING & FOOTWEAR	FURNITURE & FLOOR COVERING	ELECTRICALS	DIY, GARDENING & HARDWARE	BOOKS, STATIONERY & HOME ENT.	HEALTH & BEAUTY	OTHER NON-FOOD
Jul-20	-10.6	-1.3	-1.2	-2.1	3.9	0.1	-1.4
Aug	-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-21	-8.7	0.0	0.4	-0.1	0.4	0.6	-0.5

CATEGORY MONTH ON MONTH CHANGE

	CLOTHING & FOOTWEAR	FURNITURE & FLOOR COVERING	ELECTRICALS	DIY, GARDENING & HARDWARE	BOOKS, STATIONERY & HOME ENT.	HEALTH & BEAUTY	OTHER NON-FOOD
Jul-20	0.4	-0.1	0.4	0.2	1.1	-0.6	0.0
Aug	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-21	-1.0	-1.8	0.9	0.3	0.3	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
Jul-20	100.41	142.69	136.91	151.27	82.01	40.54	89.36	59.37	108.79	104.04	117.29	113.20
Aug	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-21	99.16	142.09	135.48	151.98	80.56	37.01	89.34	59.60	108.65	104.48	118.05	112.67

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



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