



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 January 2023

Strictly embargoed until 0.01hrs, Wednesday 1st February 2023

January 2023



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Headline commentary



“Retail prices rose in January as discounting slowed and retailers continued to face high input costs. Ambient food inflation accelerated the most as wholesale and bulk prices grew, particularly for sugar and alcohol. Fresh food prices also remained high due to increased food production costs as well as elevated wholesale fruit and vegetable prices. Meanwhile, clothing and footwear prices eased, so customers were able to replenish their wardrobes with some bargains during the January sales.”

“With global food costs coming down from their 2022 high and the cost of oil falling, we expect to see some inflationary pressures easing. However, as retailers still face ongoing headwinds from rising energy bills and labour shortages, prices are yet to peak and will likely remain high in the near term as a result.”

Helen Dickinson OBE | Chief Executive | British Retail Consortium



“Shoppers are indicating that they need to economise on spending in 2023 and with retail sales after Christmas off to a slow start, food retailers in particular continue to offer savings on everyday items to help their shoppers budget as household bills keep rising. But until inflation starts to slow it’s unlikely that people will feel better about their personal finances or be willing to spend more and it will be a few more months before any fall in global commodity or supply chain costs work through to shop prices.”

Mike Watkins | Head of Retailer and Business Insight | NielsenIQ

Executive Summary

Shop Price Inflation picked up in the new year, with headline price growth reaching a fresh high. Food prices continued their lurch upwards, driven by margarine and sugar products. Following an end to the most aggressive period of retail discounting, non-food prices picked up as health and beauty as well as furniture and flooring products, saw strong increases. However, global commodity prices have peaked, with oil, natural gas and food prices steadily trending downwards. Inflation is nonetheless expected to remain elevated as raw input costs stick higher and lag commodity price changes. There is continued uncertainty surrounding the Ukraine-Russia conflict as well as the economic ripple effects of China's re-opening, risking renewed volatility in commodity markets.

Looking ahead, we expect that shop price inflation will persist this year though the peak is expected to be reached in the coming months. Due to high operational costs, primarily within manufacturing and transport, inflation will linger before easing further in the second half of 2023.

All prices

Shop Price annual inflation accelerated to 8.0% in January, up from 7.3% in December. This is above the 3-month average rate of 7.5%. This leaves shop prices at a record-high.

8.0%

% change year-on-year

Non-Food

Non-Food inflation accelerated to 5.1% in January, up from 4.4% in December. This is above the 3-month average rate of 4.7%. Inflation rose to a fresh high in this category.

5.1%

% change year-on-year

Food

Food inflation accelerated to 13.8% in January, up from 13.3% in December. This is above the 3-month average rate of 13.2%, and is the highest inflation rate in the food category on record.

13.8%

% change year-on-year

Fresh

Fresh Food inflation accelerated strongly in January, to 15.7%, up from 15.0% in December. This is above the 3-month average rate of 15.0% and is the highest inflation rate in the fresh food category on record.

15.7%

% change year-on-year

Ambient

Ambient Food inflation accelerated to 11.3% in January, up from 11.0% in December. This is above the 3-month average rate of 10.8% and is the fastest rate of increase in the ambient food category on record.

11.3%

% 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
Jan-23	8.0	0.7	13.8	1.3	5.1	0.3
Dec-22	7.3	0.3	13.3	1.1	4.4	0.0

INFLATION EASES FOR FIRST TIME IN OVER A YEAR

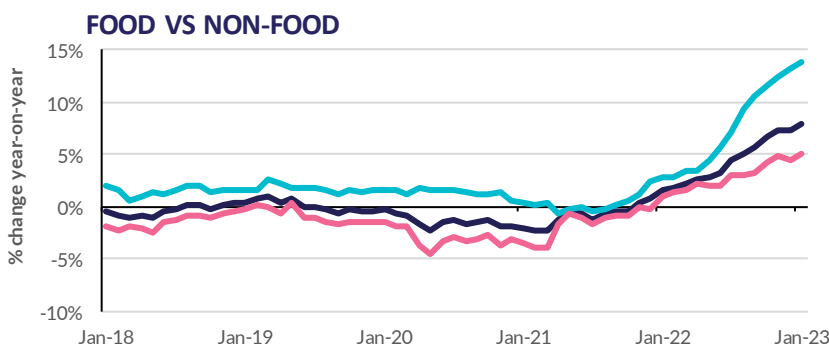
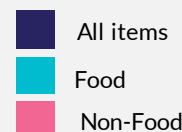
Shop Price Inflation accelerated to 8.0% in January, and in monthly terms price growth also picked up to 0.7%. Food price inflation remains the strongest driver, and a reversion to regular pricing (non-discounted) patterns saw non-food prices increase on the month too. Both fresh and ambient food products continue to record strong inflation rates in double-digits.

Shop prices have increased for more than a year with moves to fresh highs. The global commodity price shock has eased since a peak in June, however costs (particularly energy) remain elevated relative to pre-pandemic levels. Input costs as measured by domestic producer price inflation (PPI) eased for a sixth consecutive month. We estimate upwards of a 12-month lag between global and domestic retail prices, and easing commodity price pressure will only start to materially reduce inflation in 2023 H2.

Supply-chain conditions are considerably improved, with the Global Supply Chain Pressure Index trending down. However, geopolitical risks are still high, with the Black Sea Grain Initiative set to expire in March and uncertainty over the course of the Ukraine conflict. These uncertainties cause price pressures to remain within the global economic system in the near term.

Some costs are falling more rapidly than others, an example being shipping costs returning close to pre-pandemic levels as global demand tails off. Additionally, land transport costs have also begun to fall as fuel becomes cheaper. There is still uncertainty over future oil and natural gas prices, though some inputs costs are clearly beginning to ease.

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
Jan-23	8.0	0.7	13.8	1.3	5.1	0.3
Dec-22	7.3	0.3	13.3	1.1	4.4	0.0

OIL PRICES RISING, WHOLESAL GAS DOWN

Encouragingly, since the new year, natural gas prices in spot markets have fallen. However, ongoing business and household support in the form of a government subsidy has shielded against the worst of elevated costs. With support set to be removed from Q2 2023, prices will need to fall significantly still for businesses to feel any reprieve. Gas costs have had major implications for fertiliser prices, though prices are beginning to trend back down now.

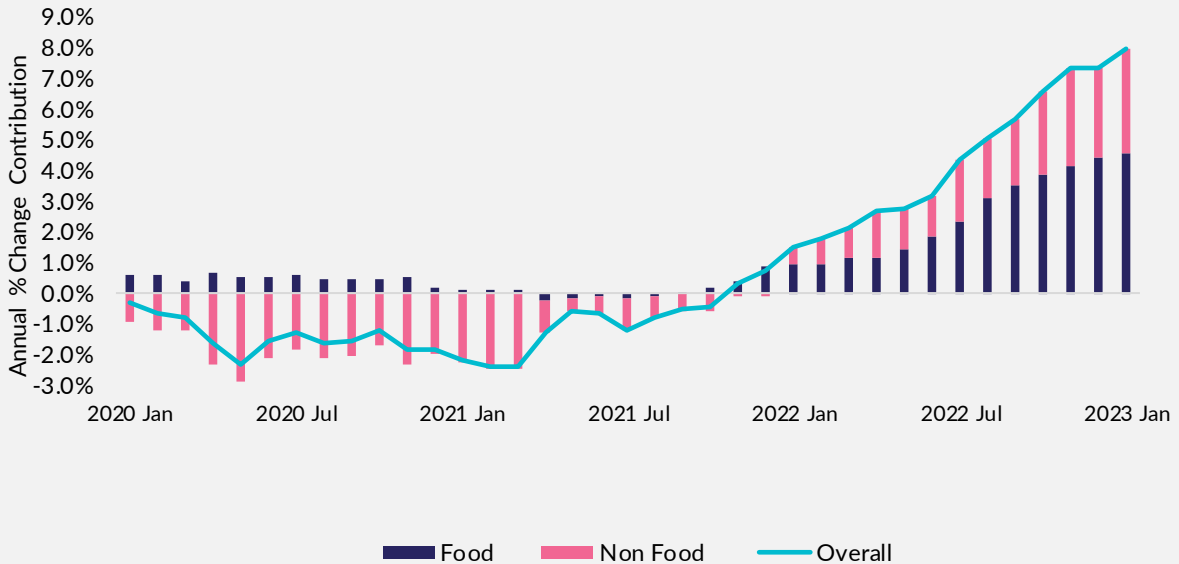
High oil and gas prices affect almost every industry in the supply chain, albeit to varying degrees (according to the ONS, the wholesale and retail sector is ranked fourth in seeing production or supply issues due to rising energy prices). From increased production costs to prices paid for transportation and storage, energy is required at every stage of the process, which in turn increases price inflation for products as the cost base of firms widens.

Non-Food prices have been affected by these factors, to varying degrees across product categories, and unwinding seasonal discounting in the most recent reporting period brought prices back up on average. Price inflation on the month was 0.3%, and categories such as Furniture & Flooring as well as Health & Beauty products continued to see strong price growth over the month.

Global oil prices have been volatile over the past few months, and rose back towards \$87 per barrel in January. Wholesale gas prices continue to fall, as a milder Autumn than expected has meant subdued demand, with European reserves holding well thus far. Increased imports of liquefied natural gas (LNG) from alternative suppliers such as the US and Algeria will help mainland Europe plug the gap in supply left by sanctions on Russia, though energy prices remain vulnerable to rising demand from China as its economy reopens.

To limit the effects of the current geopolitical turmoil, efforts are being made to ease the tight supply of energy, by increasing output from other oil and gas producing nations. However, with fears of 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 January to 13.8%. This is well above the 12- and 6-month average price growth rates of 8.1% and 11.9%, respectively. This represents a record high for the food price series.

Non-Food inflation accelerated to 5.1% in January, up from 4.4% in December. This remains above both the 12- and 6-month average price growth rates of 3.0% and 4.1%, respectively. These data bring the non-food price series to a new record level also.

Food

13.8%

January, YOY change

Non-Food

5.1%

January, YOY change

% Change	Food		Fresh		Ambient	
	On last year	On last month	On last year	On last month	On last year	On last month
Jan-23	13.8	1.3	15.7	0.8	11.3	1.9
Dec-22	13.3	1.1	15.0	1.4	11.0	0.6

FRESH FOOD

Fresh Food inflation accelerated in January to 15.7%, up from 15.0% in December. This is above the 12-month and 6-month average price growth rates of 9.1% and 13.5%, respectively.

Month-on-Month Fresh food prices grew at their slowest pace since May 2022, at 0.8%.

January UK Dairy wholesale prices (see chart) saw monthly falls in all categories, with prices of Bulk Cream falling by 14%, Butter by 11%, Mild Cheddar by 7% and Skim Milk Powder by 5%. In annual terms, prices were only higher in mild cheddar.

AMBIENT FOOD

Ambient Food inflation accelerated to 11.3% in January, up from 11.0% in December. This is the highest rate of inflation for the category on record. This is above the 12-month and 6-month average price increases of 6.8% and 9.7%, respectively.

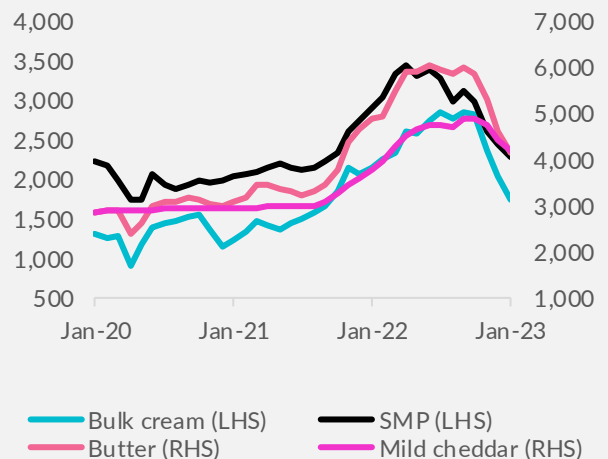
Month-on-Month price growth significantly accelerated to 1.9%.

UK WHOLESAL DAIRY PRICES, JANUARY 2022

	Bulk cream	Butter	Skim Milk Powder	Mild cheddar
YoY	-19%	-15%	-22%	12%
MoM	-14%	-11%	-7%	-5%

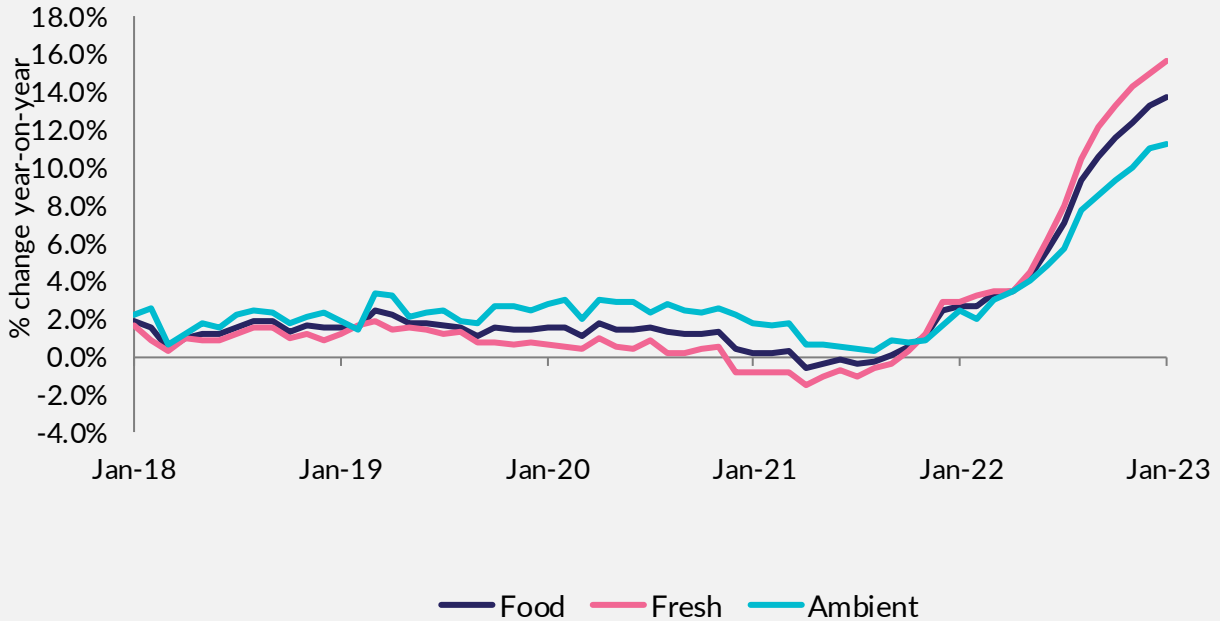
Source: Agricultural & Horticulture Development Board Dairy.

UK WHOLESAL DAIRY PRICES, JANUARY 2022



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 January.

The most significant price decline in vegetables was 14% for turnips, and the largest price rise was 97% for cauliflower.

Fruit inflation also varied, with Egremont Russet apples showing the highest increase at 25% and Bramley/Other-late-season apples showing the most significant price decrease at 32%.

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

Tulips	-39%
Bramley/Other Apples	-32%
Turnip	-15%
Pears	-11%
Cox's Apples	-7%
Cabbage	42%
Leeks	45%
Onion	70%
Spring Greens	73%
Cauliflower	97%

Source: DEFRA wholesale prices of home-grown produce in England and Wales. January 2023 prices are average of prices in weeks ending: 06/01, 13/01, 20/01 and 27/01.

	JAN-23		DEC-22	
	On last year	On last month	On last year	On last month
Clothing & Footwear	0.0	-1.3	-1.0	0.1
Electricals	-0.1	0.2	-0.7	-0.8
Health & Beauty	4.8	0.9	4.0	0.3
Other Non-Food	6.1	0.7	5.3	-0.3
Books, Stationery & Home Entertainment	5.4	0.4	5.0	1.3
Furniture & Floorcovering	6.8	1.0	6.0	-0.7
DIY, Gardening & Hardware	9.3	0.4	9.3	0.8
Total Non-Food	5.1	0.3	4.4	0.0

NON-FOOD

Non-Food inflation accelerated to 5.1% in January, up from 4.4% in December. This is above the 12-month and 6-month average price increases of 3.0% and 4.1%, respectively. Most non-food categories saw sustained inflationary pressures, remaining positive for five of the seven categories in the index's basket of goods, although there was still ongoing discounting in certain product ranges this month. On the month, Non-Food prices rose by 0.3%, with prices increasing in six out of the seven categories of the index.

Clothing & Footwear prices were flat over the previous year in the Non-Food index and inflation was 0.0% in January, compared to -1.0% in December. This is above the 12- and 6-month average price decreases of -2.4% and of -1.3%, respectively. Deflation decelerated for **Women's Clothing** but accelerated for **Other Clothing, Baby and Men's Clothing, and Footwear** are the four constituent clothing categories showing signs of inflation. Month-on-month, headline prices fell by 1.3%.

Electricals prices were the only category to have fallen over the previous year, by -0.1%. This was above the 12- and below the 6-month average price increases of -0.4% and -0.6%, respectively. Annual inflation for **Household Appliances** accelerated, though **Audio-Visual Equipment** continued to experience deflation. Month-on-month, headline prices rose by 0.2%.

Health & Beauty inflation accelerated to 4.8% in January. This is above the 12- and 6-month average price growth rates of 2.9% and 3.7%, respectively. This remains near all-time highs for this category. Inflation for both **Toiletries & Cosmetics** and **Personal Care** accelerated. Month-on-month, headline prices increased by 0.9%.

	JAN-23		DEC-22	
	On last year	On last month	On last year	On last month
Clothing & Footwear	0.0	-1.3	-1.0	0.1
Electricals	-0.1	0.2	-0.7	-0.8
Health & Beauty	4.8	0.9	4.0	0.3
Other Non-Food	6.1	0.7	5.3	-0.3
Books, Stationery & Home Entertainment	5.4	0.4	5.0	1.3
Furniture & Floorcovering	6.8	1.0	6.0	-0.7
DIY, Gardening & Hardware	9.3	0.4	9.3	0.8
Total Non-Food	5.1	0.3	4.4	0.0

NON-FOOD (cont.)

Other Non-Food inflation accelerated to 6.1% in January, up from 5.3% in December. This is above the 12-month average of 3.9% and the 6-month average of 4.9%. Inflation for **Tobacco** remained flat, while for **Personal Effects** it considerably accelerated. Meanwhile, **Pets, Related Products & Services** saw it increase as well whereas **Non-Durable Household Goods** saw annualised inflation decelerate. **Recreation & Sport** inflation accelerated slightly. Month-on-month, headline prices rose by 0.7%.

Books & Stationery prices increased by 5.4% in the 12 months to January. This is higher than the 12-month average price increase of 3.8% and the 6-month average price growth rate of 5.3%. Yearly deflation accelerated in January for **Home Entertainment**. **Stationery** inflation accelerated while **Books & Newspapers** price growth also accelerated. Month-on-month, headline prices increased by 0.4%.

Furniture inflation accelerated to 6.8% in January, up from 6.0% in December. This is above the 12-month average price increase of 5.6% but below the 6-month average price increase of 6.4%. Inflation accelerated for **Furniture & Furnishings** as well as more significantly for **Household Textiles**. Month-on-month, headline prices rose by 1.0%.

DIY & Gardening inflation remained unchanged at 9.3% in the 12 months to January. This is above the 12- and 6-month average price growth rates of 5.7% and 8.0%, respectively. **House & Garden** products' inflation accelerated with **Household Utensils'** prices decelerating. Month-on-month, headline prices increased by 0.4%.

UK Output Inflation

December Output prices (those for goods leaving the factory) rose by 14.7% compared to the same point in 2021, down from 16.2% in November 2022.

Of the ten product groups, four displayed downward contributions to the annual output inflation rate in December. Food products provided the largest upward contribution to the annual rate and had annual price growth of 17.1% in December 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.

Petroleum products provided the largest downward contribution to the change in the output rate, with fuel now notably coming down in price.

UK Input Inflation

The largest upward contribution to the annual input inflation rate came from metals and non-metallic minerals, which contributed 3.2 percentage points of the overall 16.5% figure, exhibiting annual price growth of 14.4% in December 2022, following a monthly all of 0.3%. Geopolitical tensions are seeing high metals prices, with the subsequent rises being shouldered by factory gates, particularly in heavy industry.

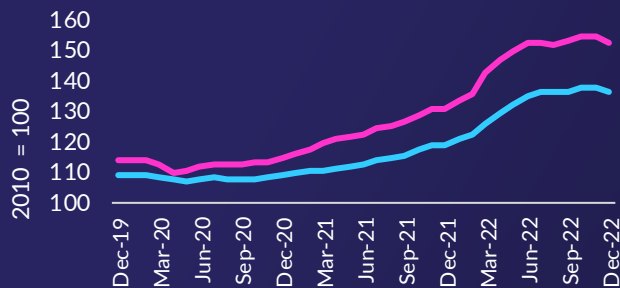
COMMODITY PRICE INDEX

Global Commodity prices gradually fell in early January before rising back up to end-December levels, having peaked in June 2022. Since then, prices have steadily fallen by 14.0% from this most 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 1.3% lower than over the previous three months. Furthermore, prices remain significantly inflated from the same point last year, with an increase of 20.0%. 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

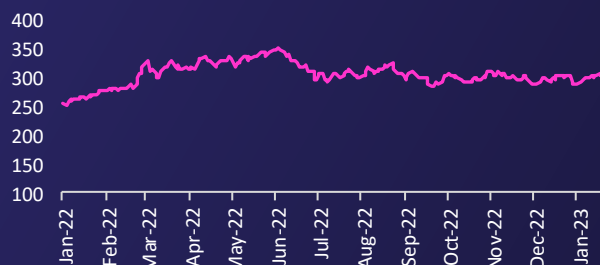
Global food prices fell by 1.9% in December 2022 to average 132.4 points, down from 135.0 in the preceding month. The December drop was driven by a strong monthly fall in vegetable oils and lesser declines in cereals and meat prices. Dairy and sugar prices, in contrast, increased on the month.

PRODUCER PRICE INDEX (PPI)



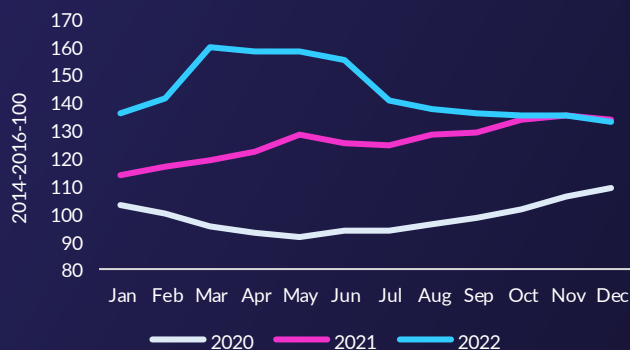
Source: ONS
— Input PPI — Output PPI

COMMODITY PRICE INDEX



Source: Refinitiv (formerly Thomson Reuters)

GLOBAL FOOD PRICE INDEX



Source: UN, The Food and Agricultural Organisation

GLOBAL FOOD PRICES - DECEMBER

Global food prices (according to the United Nations) continued their downward trend, with a fall of 1.9%. Prices continued to settle down from the all-time record in March 2022, and prices are now 1.0% lower than a year ago. The December fall was led by strong monthly contraction in vegetable oils and cereals, though rises were observed in dairy and sugar prices.



SUGAR

Prices rose 0.6% year-on-year

Sugar prices rose, in December, for a second consecutive month. The increase this month was primarily due to the impact on crop yields from adverse weather conditions in India, the second largest sugar producer, as well as production delays in Thailand and Australia. Tighter supplies meant sugar prices reached their highest level in six months.



MEAT

Prices rose by 2.5% year-on-year

Meat prices increased by 2.5% on the year though decreased 1.2% on the month. World prices for meats, despite remaining elevated, reached their lowest level since February 2021. Price quotations for bovine and poultry meats declined, due to increased supply. Higher supply and lacklustre demand contributed to falls in the former, while adequate export availabilities saw poultry prices edge lower.



DAIRY

Prices rose 7.9% year-on-year

In December, prices for dairy products rose, following five months of consecutive declines. Higher import demand and tighter supply levels saw cheese prices rise higher. However, the price of butter did continue to fall, following sluggish import demand and sufficient inventory levels in the run up to Christmas. Milk powder prices also fell, with subdued demand predominating in Western Europe.



CEREALS

Prices increased 4.8% year-on-year

International wheat prices declined in December, as ongoing harvests in the southern hemisphere boosted supplies and export competition remained strong. Maize prices declined as well as barley, though a weakening dollar implied higher international prices. Upward pressure during 2022 was primarily led by higher energy and input costs, in addition to adverse weather and heightened global food demand.

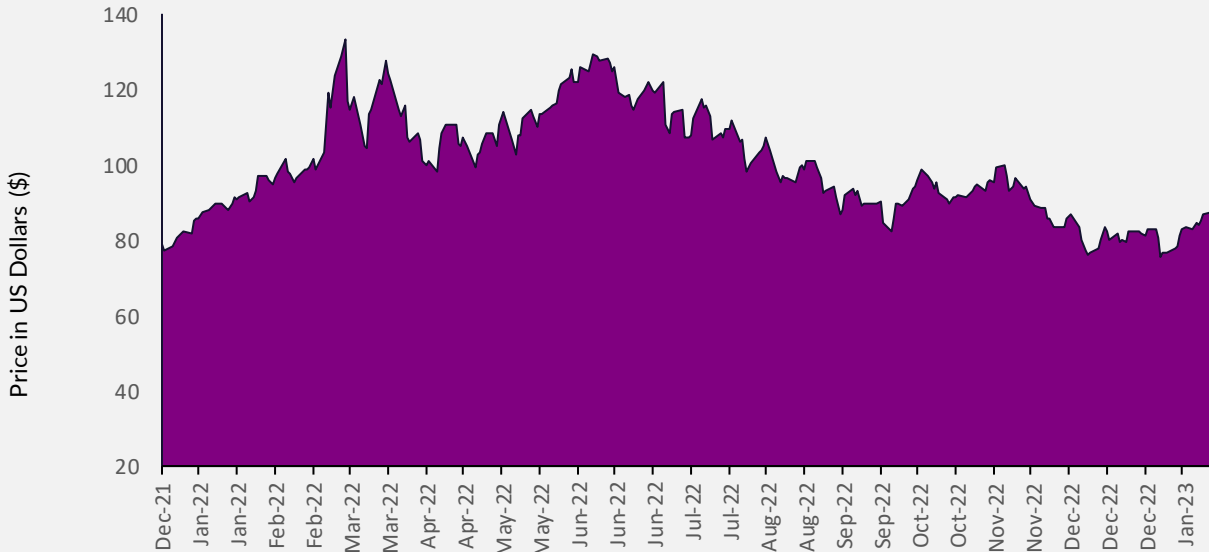


VEGETABLE OILS

Prices fell 19.1% year-on-year

Vegetable Oils prices fell by 19.1% on the year though decreased 6.7% on the month. The decrease in December was led by lower price quotations across soy, palm and sunflowerseed and rapeseed oils. Subdued import demand, positive seasonal production and lower crude mineral oil prices all exerted downward pressure on world vegetable oil prices.

GLOBAL BRENT CRUDE, DAILY SPOT PRICE



Source: US Energy Information Administration

OIL PRICES

In January, oil prices rose, averaging \$87 per barrel, having peaked at over \$130 per barrel in the immediate aftermath of Russia's invasion of Ukraine. The increase also followed heightened US and Chinese demand. Worldwide recession risks are placing downward pressure on prices, though production cutbacks provide price support.

The OPEC meeting held on 4 December 2022 resulted in an agreement to maintain the restriction in production by 2 million barrels per day until the end of 2023 as recession risks, and thus demand is likely to fall.

The oil cartel's next meeting takes place on the 4 June 2023, to determine output levels for H2 2023 and 2024.

January YoY change

-4%

January MoM change

1%

HEADLINE YEAR-ON-YEAR CHANGE

	OVERALL	NON-FOOD	FOOD	FRESH	AMBIENT
Jan-22	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	5.1	2.9	9.3	10.5	7.8
Sep	5.7	3.3	10.6	12.1	8.6
Oct	6.6	4.1	11.6	13.3	9.4
Nov	7.4	4.8	12.4	14.3	10.0
Dec	7.3	4.4	13.3	15.0	11.0
Jan-23	8.0	5.1	13.8	15.7	11.3

HEADLINE MONTH-ON-MONTH CHANGE

	OVERALL	NON-FOOD	FOOD	FRESH	AMBIENT
Jan-22	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	1.1	0.5	2.3	2.4	2.2
Sep	0.7	0.4	1.3	1.6	0.9
Oct	1.3	1.2	1.5	1.6	1.3
Nov	0.9	0.7	1.3	1.6	0.9
Dec	0.3	0.0	1.1	1.4	0.6
Jan-23	0.7	0.3	1.3	0.8	1.9

CATEGORY YEAR-ON-YEAR CHANGE

	CLOTHING & FOOTWEAR	FURNITURE & FLOOR COVERING	ELECTRICALS	DIY, GARDENING & HARDWARE	BOOKS, STATIONERY & HOME ENT.	HEALTH & BEAUTY	OTHER NON-FOOD
Jan-22	-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	-2.1	5.4	-0.6	6.3	5.7	2.5	3.2
Sep	-1.8	5.6	-1.2	6.8	5.2	3.1	3.8
Oct	-2.1	7.5	0.0	8.0	5.9	3.1	4.8
Nov	-0.9	7.4	-1.0	8.4	4.8	4.9	6.2
Dec	-1.0	6.0	-0.7	9.3	5.0	4.0	5.3
Jan-23	0.0	6.8	-0.1	9.3	5.4	4.8	6.1

CATEGORY MONTH-ON-MONTH CHANGE

	CLOTHING & FOOTWEAR	FURNITURE & FLOOR COVERING	ELECTRICALS	DIY, GARDENING & HARDWARE	BOOKS, STATIONERY & HOME ENT.	HEALTH & BEAUTY	OTHER NON-FOOD
Jan-22	-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	0.6	0.6	0.8	1.3	1.6	-0.2	0.0
Sep	-0.1	0.8	-0.7	0.6	-0.6	1.1	0.4
Oct	0.7	1.7	0.5	1.4	1.1	0.5	1.4
Nov	0.0	0.1	0.0	0.7	-0.7	1.0	1.8
Dec	0.1	-0.7	-0.8	0.8	1.3	0.3	-0.3
Jan-23	-1.3	1.0	0.2	0.4	0.4	0.9	0.7

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
Jan-22	100.74	145.80	139.00	155.95	81.42	35.89	92.72	58.71	109.73	105.14	119.81	115.25
Feb	101.20	146.24	139.95	155.63	81.86	35.88	93.66	59.12	110.85	104.84	119.90	115.91
Mar	101.46	146.99	140.14	157.23	81.96	35.92	94.01	59.17	110.98	105.18	119.73	116.02
Apr	101.73	147.25	140.10	157.93	82.21	35.92	94.86	59.04	111.15	106.75	120.23	116.10
May	102.05	148.30	141.34	158.69	82.31	35.94	95.35	59.22	110.82	107.16	119.22	116.63
Jun	102.77	150.21	144.02	159.45	82.64	35.99	96.10	59.03	111.58	107.11	120.52	116.74
Jul	103.50	152.10	146.36	160.66	83.00	35.88	95.73	58.65	113.99	107.54	121.13	117.57
Aug	104.65	155.61	149.87	164.17	83.41	36.10	96.28	59.15	115.50	109.27	120.94	117.54
Sep	105.37	157.67	152.27	165.71	83.72	36.06	97.03	58.71	116.14	108.56	122.24	118.05
Oct	106.70	159.97	154.71	167.84	84.69	36.31	98.66	59.01	117.72	109.74	122.89	119.72
Nov	107.69	162.08	157.24	169.32	85.30	36.31	98.80	58.98	118.59	108.96	124.12	121.83
Dec	108.05	163.82	159.50	170.32	85.26	36.37	98.06	58.53	119.51	110.37	124.54	121.43
Jan-23	108.76	165.91	160.79	173.56	85.56	35.88	99.05	58.64	119.94	110.85	125.60	122.26

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.

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