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

A summary of key pressures on future prices

# SHOP PRICE MONITOR

Period covered: 01-07 March 2026

Strictly embargoed until 0.01hrs, Tuesday 31st March 2026

## MARCH 2026

# Contents

# Headline commentary

"Shop price inflation edged up in March, despite food inflation easing as dairy prices fell with lower wholesale milk costs. Retailers offered promotions on alcohol, TVs and sound systems in the run up to final Six Nations weekend, as well as on clothing & footwear to entice consumers to spend.

Higher costs resulting from the conflict in the Middle East are starting to feed into supply chains. While retailers will work with their suppliers to mitigate the impact on prices as far as possible, inflation will rise, although there are no indications it will reach the peaks of the last spike in April 2023. Government needs to look at all the costs that could exacerbate these price rises, from new healthy food rules to trade changes with Europe, the Employment Rights Act and non-commodity charges which make up such a large proportion of energy bills. Ignoring businesses' concerns risks even higher prices for shoppers."

**Helen Dickinson OBE | Chief Executive | British Retail Consortium**

"Whilst it's good news that food inflation slowed in recent weeks, shoppers are increasingly conscious of the amount of money they are spending at the checkout, and non-food retailers will be hoping for a good Easter to drive sales. However, if price rises come through the supply chain over the next few months, this has the potential to take the edge off retail growth."

**Mike Watkins | Head of Retailer and Business Insight | NIQ**

# Executive Summary

Shop prices witnessed a very slight decline on the month, driven mainly by a slight 0.1% fall in food prices, whereas non-food prices remained flat. Fresh and ambient food prices both fell, and prices are broadly in line with their six-month average. Non-food prices fell in most categories; however, increases across health and beauty and DIY, gardening & hardware acted against decreases in electricals as well as clothing & footwear and other non-food.

The external environment has shifted sharply, with the recent energy price shock set to drive a considerable rise in input costs. While global food prices eased, offering some short-term relief on imported food inflation, input and consumer inflation are now likely to rise significantly, albeit to a lesser extent than following the Ukraine-Russia conflict.

## All prices

Shop price inflation increased to 1.2% year on year in March, against growth of 1.1% in February. This is below the 3-month average of 1.3%.

**1.2%**

% change year-on-year

## Non-Food

Non-Food inflation increased to 0.1% year on year in March, against a decline of -0.1% in February. This is in line with the 3-month average of 0.1%.

**0.1%**

% change year-on-year

## Food

Food inflation decreased to 3.4% year on year in March, against growth of 3.5% in February. This is below the 3-month average of 3.5%.

**3.4%**

% change year-on-year

## Fresh

Fresh Food inflation increased to 4.4% year on year in March, against growth of 4.3% in February. This is in line with the 3-month average of 4.4%.

**4.4%**

% change year-on-year

## Ambient

Ambient Food inflation decreased to 2.0% year on year in March, against growth of 2.3% in February. This is below the 3-month average of 2.4%.

**2.0%**

% change year-on-year

| | Overall SPM | | Food | | Non-Food | |
|---|---|---|---|---|---|---|
| % Change | On last year | On last month | On last year | On last month | On last year | On last month |
| Mar-26 | 1.2 | -0.1 | 3.4 | -0.1 | 0.1 | 0.0 |
| Feb-26 | 1.1 | 0.0 | 3.5 | 0.0 | -0.1 | 0.0 |

## INFLATION STEADY… FOR NOW

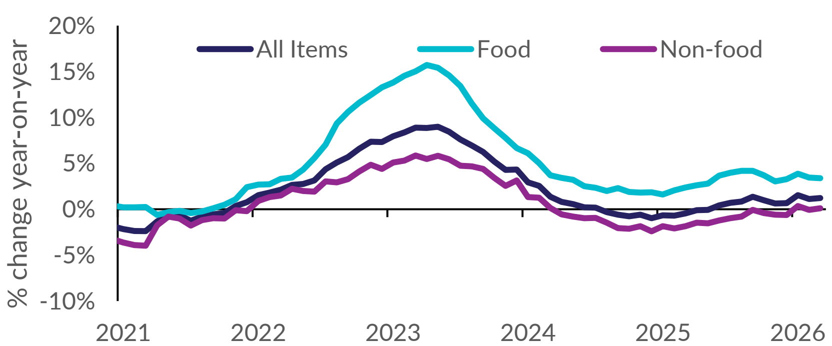
Shop price inflation inched up slightly in March, rising to 1.2%. Despite this, prices on the month fell ever so slightly, having fallen by more in the same month last year. Both fresh and ambient food products saw 0.1% price reductions on the month, although inflation remains higher in the former, as compared to the latter.

Non-food prices were flat on the month, but prices fell in four out of the seven categories. Electrical items, as well as clothing and footwear, saw strong monthly price decreases, whereas, in contrast, health and beauty as well as DIY goods saw strong increases. Now only two categories remain in annual deflation: electricals and clothing and footwear.

Moreover, price pressures are apparent in non-food products, and the latest energy price shock following the conflict in the Middle East implies that prices will start trending upwards over the coming quarters. A prolonged period of heightened promotional activity had helped to drive growth in volumes for non-food items. Whilst non-food inflation is likely to remain below that for food, we forecast it will be higher than the average rate over 2025.

Labour costs burdens remain high, and this is expected to ratchet up further with another increase in the National Living Wage and the Employment Rights Act firmly on the horizon. Retailers had had some respite in easing input costs (particularly food) and a stronger pound. However, the latest increases in energy prices and fertiliser, in addition, imply that food inflation is likely to trend higher, likely peaking in the first half of 2027.

### FOOD VS NON-FOOD INFLATION




Source: BRC-NIQ

**Shop Price Inflation steps back**

All items
Food
Non-Food

| | Overall SPM | | Food | | Non-Food | |
|---|---|---|---|---|---|---|
| % Change | On last year | On last month | On last year | On last month | On last year | On last month |
| Mar-26 | 1.2 | -0.1 | 3.4 | -0.1 | 0.1 | 0.0 |
| Feb-26 | 1.1 | 0.0 | 3.5 | 0.0 | -0.1 | 0.0 |

## OIL PRICES ECLIPSE $100 A BARREL

Consumer price inflation in the UK remained unchanged at 3.0% in February. Across the economy, prices are 29.0% higher than pre-Covid (Feb 2020) levels. The outlook for inflation has changed dramatically following conflict in the Middle East, with energy prices soaring. Immediately, transport costs are likely to push up on inflation, with food providing more upward pressure by year-end.

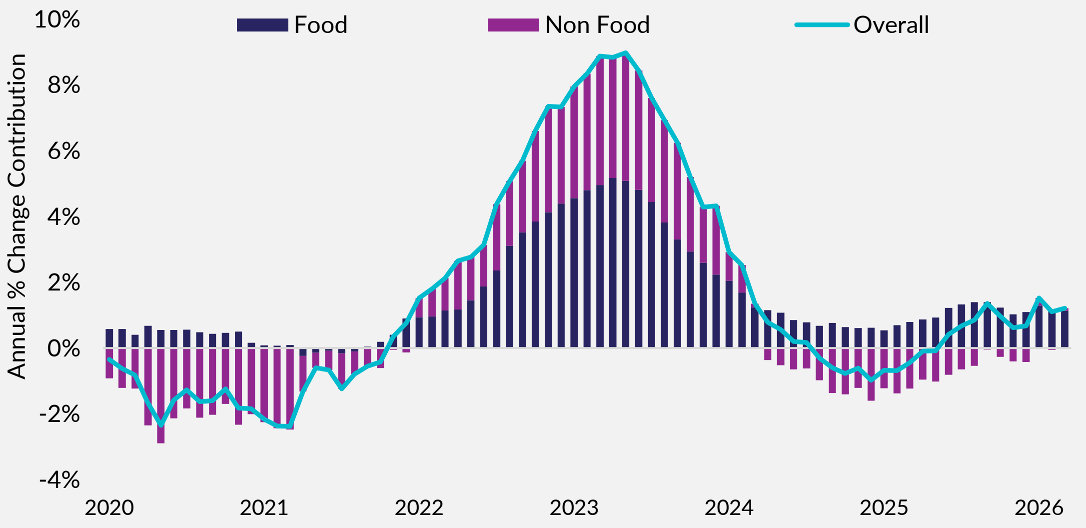
As domestic pressures ease, global factors point towards an uptick in geopolitical volatility. As a result, there was a surge in the New York Fed's Global Supply Chain Pressure Index (calculated by the US Federal Reserve), above 0, the highest since the start of 2023 and an indication of worsening supply-chain conditions. Moreover, commodity prices have continued to tick up slightly over the past few months and are likely to continue rising over the coming months.

Following the U.S. Supreme Court's February 2026 ruling striking down the administration's tariff measures, the outlook for U.S. trade policy remains uncertain. Nonetheless, the United States has issued an across-the-board 10% tariff. Global economic growth remains likely to slow down, and this may push down on energy prices, come the end of the year. The near-term trajectory of price movements remains likely to continue rising, although demand destruction through higher energy prices is also likely to apply downward pressure once hostilities ease in the Middle East.

Focusing specifically on oil, prices have risen sharply amid escalating conflict involving Iran, with disruptions around the Strait of Hormuz pushing Brent crude to $100 a barrel. Substantial geopolitical risk raises the risk of further price increases. Continued instability in the region is now likely to place upward, rather than downward, pressure on fuel costs and consumer prices in the near term.

Looking further down the supply-chain, into the domestic sphere, the producer price inflation series suggest output (goods leaving the factory-gate) inflation remains higher than input (cost of raw materials) inflation. Official data on domestic and imported food inputs points to lingering annual cost pressure concentrated in domestically produced food. Coupled with elevated input costs and tax burdens, these factors are keeping upward pressure on consumer prices, with some of the strain feeding through to in-store pricing.

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




Source: BRC-NIQ

## FOOD

**Food** contributed 1.1% to the overall shop price figure, and **inflation** slowed in March to 3.4%. This is below the 12-month average but in line with the 6-month average price growth rates of 3.5% and 3.4%, respectively.

Food

3.4%

March, YOY change

## NON-FOOD

**Non-Food** contributed 0.1% to the overall shop price figure, and **re-entered inflation** at 0.1% in March. This is above the 12-month and the 6-month average price growth rates of -0.6% and -0.2%, respectively.

Non-Food

0.1%

March, YOY change

| | Food | | Fresh | | Ambient | |
|---|---|---|---|---|---|---|
| % Change | On last year | On last month | On last year | On last month | On last year | On last month |
| Mar-26 | 3.4 | -0.1 | 4.4 | -0.1 | 2.0 | -0.1 |
| Feb-26 | 3.5 | 0.0 | 4.3 | 0.2 | 2.3 | -0.3 |

## FRESH FOOD

Fresh Food inflation increased to 4.4% year on year in March, against growth of 4.3% in February. This is above the 12-month and 6-month average price inflation rates of 3.7% and 4.1%, respectively.

Month-on-month, Fresh food prices decreased by 0.1%.

March UK Dairy wholesale prices (see chart) saw monthly price increases in all four categories. Prices rose 14.7% for Skim Milk Powder, 24.5% for Bulk Cream, 5.5% for Mild Cheddar and 8.4% for Butter. In annual terms, prices were lower in all categories except Skim Milk Powder.

## AMBIENT FOOD

Ambient Food inflation decreased to 2.0% year on year in March, against growth of 2.3% in February. This is below the 12-month and 6-month average price inflation rates of 3.3% and 2.5%, respectively.

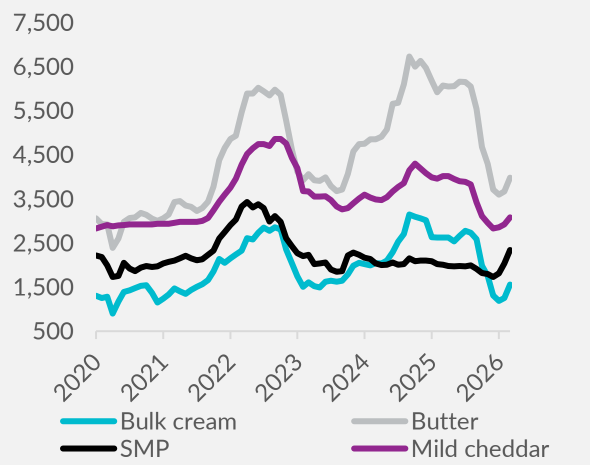
Month-on-month, ambient food prices decreased by 0.1%.

## UK WHOLESALE DAIRY PRICES, MARCH 2026

| | Bulk cream | Butter | Skim Milk Powder | Mild Cheddar |
|---|---|---|---|---|
| YoY | -40.7% | -34.4% | 16.4% | -23.4% |
| MoM | 24.5% | 8.4% | 14.7% | 5.5% |

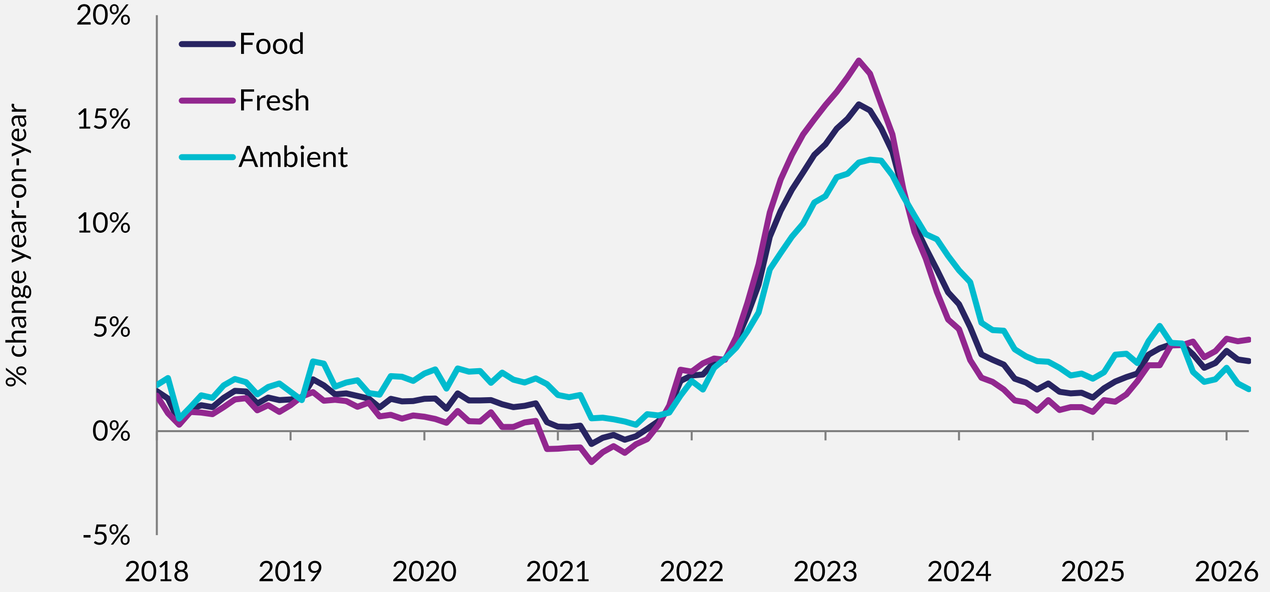
Source: Agricultural & Horticulture Development Board Dairy.

## UK WHOLESALE DAIRY PRICES, MARCH 2026




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 March.

The largest price decrease in vegetables was 17% for Turnips, and the largest price rise was 41% for Carrots (Topped Washed).

Fruit inflation also varied, with Apples (Egremont Russet) again showing the highest increase at 118% and Apples (Other Late Season) showing the biggest decrease at -36%.

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

| | |
|---|---|
| Apples (Other Late Season) | -36% |
| Turnip | -17% |
| Cabbage (Red) | -17% |
| Rhubarb (Outdoor) | -12% |
| Swede | -11% |
| Onion (Bulb brown) | 13% |
| Cauliflower | 14% |
| Carrots (Topped Washed) | 41% |
| Tulips | 54% |
| Apples (Egremont Russet) | 118% |

Source: DEFRA wholesale prices of home-grown produce in England and Wales. March 2026 prices are an average of prices in weeks ending: 2/03, 16/03 and 30/03.

| | March-26 | | February-26 | |
|---|---|---|---|---|
| | On last year | On last month | On last year | On last month |
| Clothing & Footwear | -1.8 | -0.2 | -2.9 | -0.4 |
| Electrical | -1.9 | -0.5 | -1.5 | 1.2 |
| Health & Beauty | 1.9 | 0.6 | 1.1 | -0.9 |
| Other Non-Food | 0.1 | -0.2 | 0.9 | -0.8 |
| Books, Stationery & Home Entertainment | 0.0 | 0.0 | 0.6 | 0.2 |
| Furniture & floor covering | 1.4 | -0.1 | 0.9 | 1.6 |
| DIY, Gardening & Hardware | 0.2 | 0.4 | -0.5 | 0.4 |
| **Total NON-FOOD** | **0.1** | **0.0** | **-0.1** | **0.0** |

## NON-FOOD

**Non-Food** inflation increased to 0.1% year on year in March, against a decline of -0.1% in February. This is above the 12-month and 6-month average price inflation rates of -0.6% and -0.2%, respectively. Two of the sub-categories remained in deflation, one entered inflation, and four remained in inflation. On the month, overall Non-Food prices were flat, but prices fell on the month in four of the seven categories of the index.

**Clothing & Footwear** inflation increased to -1.8% year on year in March, against a decline of -2.9% in February. This is above the 12-month and 6-month average rates of -5.4% and -4.2%, respectively. **Baby** clothing inflation was flat, whereas **Men's, Women's, Children's,** as well as **Footwear** and **Other Clothing** remained in deflation (children's clothing saw the steepest price reductions). Month-on-month, headline prices fell 0.4%.

**Electricals** inflation decreased to -1.9% year on year in March, against a decline of -1.5% in February. This is above the 12-month but below the 6-month average rates of -2.0% and -1.5%, respectively. **Audio-Visual Equipment** deflation deepened, and **Household Appliances** re-entered inflation. Month-on-month, headline prices rose by 1.2%.

**Health &** Beauty inflation increased to 1.9% year on year in March, against growth of 1.1% in February. This is below the 12-month and 6-month average rates of 2.7% and 2.0%, respectively. Inflation picked up for **Personal Care** and for **Toiletries & Cosmetics**. Month-on-month, headline prices fell 0.9%.

| | March-26 | | February-26 | |
|---|---|---|---|---|
| | On last year | On last month | On last year | On last month |
| Clothing & Footwear | -1.8 | -0.2 | -2.9 | -0.4 |
| Electrical | -1.9 | -0.5 | -1.5 | 1.2 |
| Health & Beauty | 1.9 | 0.6 | 1.1 | -0.9 |
| Other Non-Food | 0.1 | -0.2 | 0.9 | -0.8 |
| Books, Stationery & Home Entertainment | 0.0 | 0.0 | 0.6 | 0.2 |
| Furniture & floor covering | 1.4 | -0.1 | 0.9 | 1.6 |
| DIY, Gardening & Hardware | 0.2 | 0.4 | -0.5 | 0.4 |
| **Total NON-FOOD** | **0.1** | **0.0** | **-0.1** | **0.0** |

## NON-FOOD (cont.)

**Other Non Food** inflation decreased to 0.1% year on year in March, against growth of 0.9% in February. This is below the 12-month and 6-month average rates of 0.3% and 0.7%, respectively. **Tobacco** inflation picked up slightly, and for **Non-Durable Household Goods** and **Recreation & Sport** re-entered deflation. **Pets, Related Products & Services** inflation picked up, whereas **Personal Effects** deflation deepened. Month-on-month, headline prices fell by 0.8%.

**Books, Stationery & Home Entertainment** inflation decreased to 0.0% year on year in March, against growth of 0.6% in February. This is below the 12-month but above the 6-month average rates of 0.2% and -0.6%, respectively. Yearly deflation decelerated for **Home Entertainment; Stationery** products inflation slowed, and **Books & Newspapers** inflation was flat. Month-on-month, headline prices rose by 0.2%.

**Furniture & Flooring** inflation increased to 1.4% year on year in March, against growth of 0.9% in February. This is above the 12-month and 6-month average rates of -0.3% and 0.6%, respectively. **Furniture, Furnishings & Carpets** inflation slowed, and **Household Textiles** inflation picked up. Month-on-month, headline prices increased by 1.6%.

**DIY, Gardening & Hardware** inflation increased to 0.2% year on year in March, against a decline of -0.5% in February. This is below the 12-month but in line with the 6-month average rates of 0.3% and 0.2%, respectively. **House & Garden products** entered inflation, and **Household Utensils** deflation picked up. Month-on-month, headline prices rose 0.4%.

## UK OUTPUT INFLATION

February output prices (factory gate prices) rose by 1.7% year-on-year, down from a 2.5% increase in January. On a monthly basis, output prices fell by 0.5%, following no growth in the month preceding.

In annual terms, food products provided the largest upward contribution to output inflation, with prices rising 3.2% over the year. The biggest downward contributor was coke and refine petroleum products.

## UK INPUT INFLATION

February input prices (materials and fuels purchased by manufacturers) rose by 0.5% year-on-year, up from a revised fall of 0.4% in January. On a monthly basis, input prices rose by 0.8%, following a 0.3% increase in the previous month.

The largest upward contribution to annual input inflation came from inputs of metals and non-metallic mineral products. The biggest downward contributor was crude petroleum and natural gas, pulling down the headline input inflation rate.

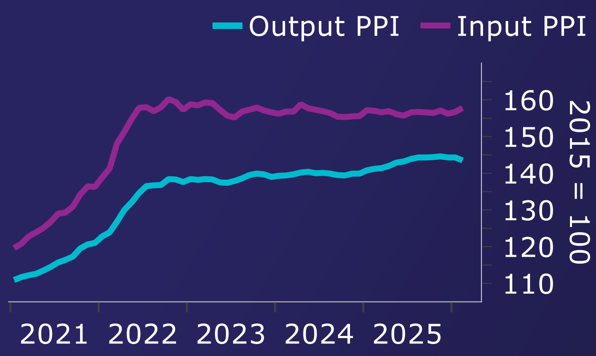
## COMMODITY PRICE INDEX

Global Commodity prices rose notably over March and are 9.3% higher than a year ago, according to the Thomson Reuters/Core Commodity CRB Index. Using the 3-month average of commodity prices to smooth out the volatility somewhat, prices were 7.9% higher than over the previous three months. Of the goods in the basket used to compute the index, 41% are agricultural, 39% are energy-related, and 20% are precious or industrial metals.

## GLOBAL FOOD PRICE INDEX

The FAO Food Price Index averaged 125.3 points in February, up from January's revised level. Increases in cereals, meat and vegetable oils outweighed declines in dairy and sugar. The index now sits slightly below its level a year earlier but remains more than one-fifth below the peak reached in March 2022.

### PRODUCER PRICE INDEX (PPI)

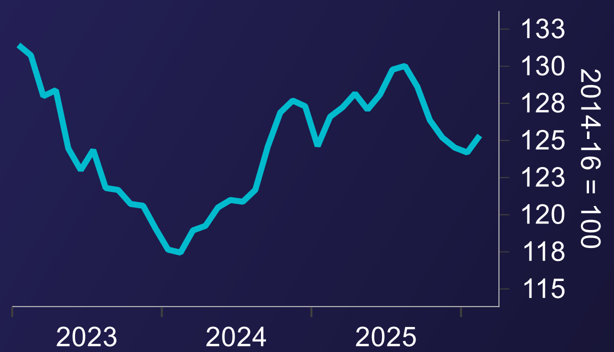



Source: ONS

### COMMODITY PRICE INDEX


Source: Macrobond

### GLOBAL FOOD PRICE INDEX




Source: UN, The Food and Agricultural Organisation

## GLOBAL FOOD PRICES - FEBRUARY

In February 2026, the FAO Food Price Index edged up to 125.3 points, a 0.9% rise from January's revised figure. Higher prices for cereals, meat and vegetable oils more than offset declines in dairy and sugar. The index now sits 1.0% below its level a year ago and remains nearly 22% beneath the peak recorded in March 2022.

### SUGAR

**Prices fell 27.3% year-on-year**

Sugar prices fell 4.1% month on month, extending their downward trend into February. The decline reflected expectations of ample global supplies, despite a downward revision to India's output forecast and lower seasonal production in Brazil. Strong production prospects elsewhere, including a record crop anticipated in the US, more than offset upward price pressures.

### MEAT

**Prices rose 8.0% year-on-year**

Meat prices rose 0.8% month on month in February, reversing the modest falls seen earlier. Beef and lamb led the increase, supported by strong import demand and limited export availability from Oceania. Pork and poultry prices edged higher, with firmer US quotations partly offset by ample supply conditions in other major exporting regions.

### DAIRY

**Prices fell 19.2% year-on-year**

Dairy prices dropped 1.2% on the month, extending the decline seen since mid-2025 and leaving prices well below year-earlier levels. Cheese saw the sharpest fall, pressured by improved milk availability in Europe and weaker export demand. By contrast, milk powders and butter firmed, supported by renewed buying interest and tighter supply growth in Oceania.

### CEREALS

**Prices decreased 3.5% year-on-year**

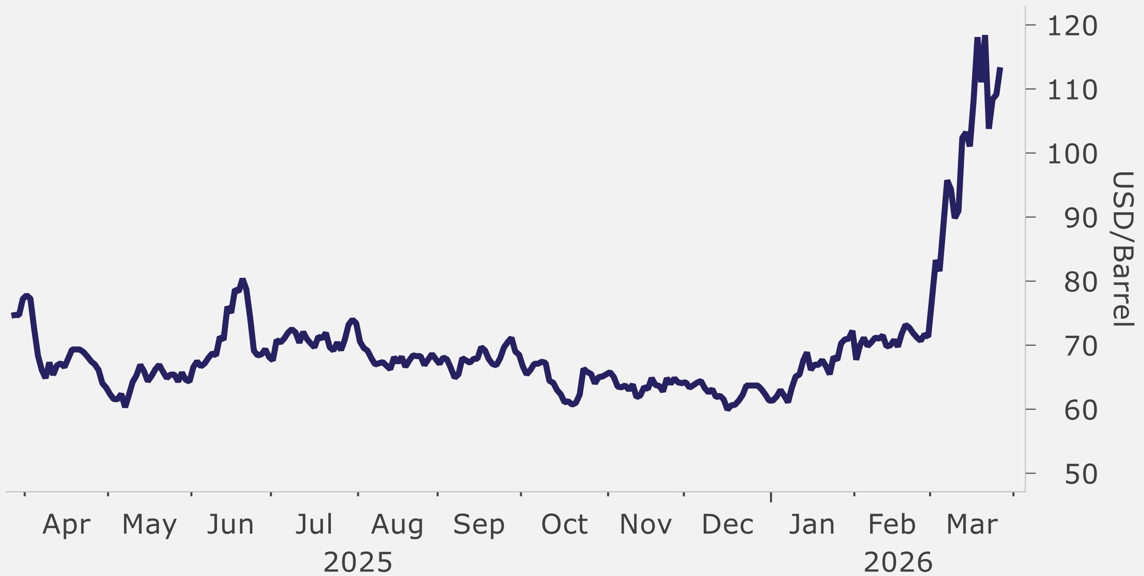
Cereal prices rose 1.1% month on month in February. Wheat strengthened on frost risks in Europe and the US, alongside ongoing Black Sea tensions. Barley and sorghum also gained, supported by firm international demand, while maize remained broadly steady amid ample global availability. Rice edged up 0.4%, underpinned by steady demand for premium varieties.

### VEGETABLE OILS

**Prices rose 11.7% year-on-year**

Vegetable oil prices rose 3.3% (m-o-m), reaching their highest level since mid-2022. Palm oil climbed for a third consecutive month on firm global demand and lower seasonal output in Southeast Asia. Soya and rapeseed oils also strengthened on biofuel demand and import needs, while sunflower oil eased slightly on rising Argentine supplies.

### GLOBAL BRENT CRUDE, DAILY SPOT PRICE




Source: US Energy Information Administration

## OIL PRICES

In March, oil prices soared, averaging (month-to-date) $104.55 per barrel, with conflict in the Middle East severely impacting supplies of crude.

Following the virtual meeting on 1 March 2026, the eight OPEC+ countries decided to resume the gradual unwinding of the 1.65 million barrels per day of voluntary production adjustments first announced in April 2023.

Citing a steady economic outlook and healthy market fundamentals, the group agreed to an initial production increase of 206,000 barrels per day starting in April 2026. The ministers reaffirmed their cautious approach, retaining full flexibility to pause or reverse these adjustments if market conditions shift.

The next Joint Ministerial Monitoring Committee (JMMC) meeting is scheduled for 5 April 2026.

March YoY change

**+43.7%**

March MoM change

**+43.1%**

# About this monitor

The index provides an indicator of the direction of price changes in retail outlets across the UK. The BRC launched the Shop Price Monitor to give an accurate picture of the inflation rate of 500 of the most commonly bought high street products in stores.

As the index is designed to reflect changes in shop prices, the sampling points chosen are five large urban areas, spread nationally.

The sample includes superstores on out-of-town sites, town centre stores, local parade stores,  shopping centres. In each location, NIQ collect and process the data for the BRC, visit stores of differing types, e.g. grocery, confectionery, DIY, department stores – including small and large multiples and independents. Data collection is monthly and always in the same stores to maintain consistency.

The 500 item list reflect standard consumer purchasing patterns in terms of branded/own label split and price distribution. The Index is constructed of seven main sectors of purchase: food, DIY, gardening and hardware, furniture, books, stationery and home entertainment, electrical, clothing and footwear, and other non-food.

6,500-7,000 prices are collected each period. Each product class has an individual weighting based on the “All households” expenditure measured in the Family Expenditure Survey.

The Shop Price Monitor is more focused than the Retail Price Index and Consumer Prices Index, as it excludes services and household costs, and thus shows the extent that retailers contribute to inflation through pricing of a range of commonly bought goods.

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