SHOP PRICE MONITOR

A summary of key trends in shop prices

July 2026

Covering 01 - 07 July 2026

Strictly embargoed until 0.01hrs, Tuesday 28th July 2026

Headline Commentary

Helen Dickinson OBE
Chief Executive | British Retail Consortium

"Good news for households in July as shop price inflation slowed. Retailers competed hard to limit prices rises, with a wave of summer promotions across food and other goods. Shoppers benefited from deals on snacks and alcoholic drinks during the football World Cup, while clothing and footwear retailers offered significant discounts as they started clearing summer stock. Some categories, including electricals and health & beauty, saw higher inflation as rising chip prices and manufacturing costs fed through.

While today's figures are encouraging, growing cost pressures remain on the horizon. Higher employment costs and packaging taxes, global instability and climate-related disruption all make it more expensive to get products onto shelves. The best way to keep the cost of living down is to keep the cost of doing business down. Cutting unnecessary taxes and levies on energy bills would help retailers keep prices low, invest locally and support jobs in every town and city."

Mike Watkins
Retail Consultant Head of Retailer and Business Insight | NIQ

"Shop Price inflation remains lower than a year ago, which will help shoppers as they manage other increases in household spend, such as energy and fuel. So, we can expect promotions to continue to be an important part of driving demand for the rest of the summer."

Executive Summary

Shop prices fell over the month, ending two consecutive monthly rises, and annual inflation eased further. Food inflation slowed, though the composition shifted, with fresh food prices accelerating whilst ambient inflation halved. Non-food prices fell back, led by heavy discounting in clothing & footwear. Furniture & flooring also saw prices cut, though electricals, health & beauty and books & stationery all recorded monthly increases.

The MoU between the US and Iran has broken down, and crude oil had climbed back above $100 a barrel, ~30% up on its July lows (now below $90 at the time of writing, following a pause in attacks). Vessels transiting the Strait of Hormuz were being targeted once more and hopes that the energy crunch would prove short-lived now look misplaced. If disruption persists into the autumn, the pass-through to shop prices will be more forceful, and sooner, than assumed a month ago.

All Prices

0.9% ↓

% change year-on-year

Shop price inflation decreased to 0.9% year on year in July, against growth of 1.2% in June. This is below the 3-month average of 1.1%.

Non-Food

0.2% ↓

% change year-on-year

Non-Food inflation decreased to 0.2% year on year in July, against growth of 0.6% in June. This is below the 3-month average of 0.4%.

Food

2.2% ↓

% change year-on-year

Food inflation decreased to 2.2% year on year in July, against growth of 2.4% in June. This is below the 3-month average of 2.4%.

Fresh

3.1% ↑

% change year-on-year

Fresh Food inflation increased to 3.1% year on year in July, against growth of 2.8% in June. This is in line with the 3-month average of 3.1%.

Ambient

1.1% ↓

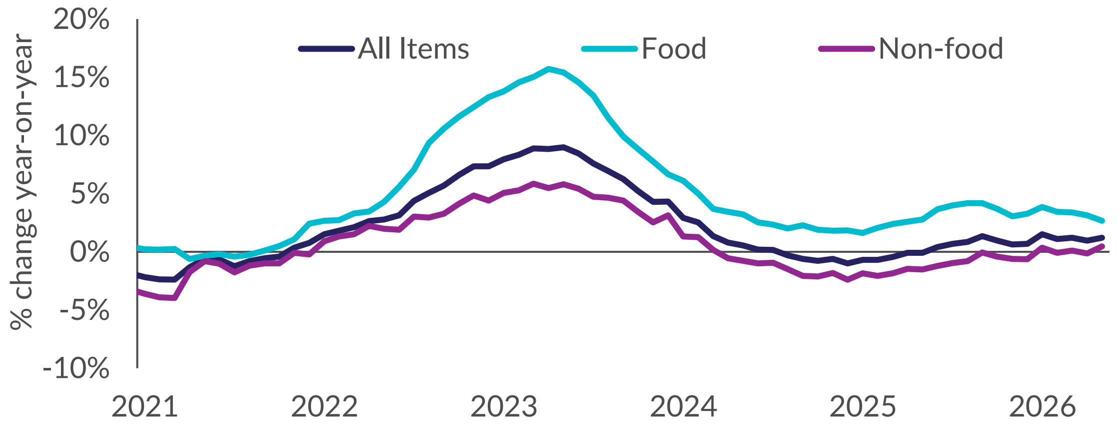
% change year-on-year

Ambient Food inflation decreased to 1.1% year on year in July, against growth of 1.9% in June. This is below the 3-month average of 1.6%.

> The Memorandum of Understanding (MoU) between the US and Iran has broken down

Overview

	Overall SPM		Food		Non-Food	
% Change	On last year	On last month	On last year	On last month	On last year	On last month
Jul-26	0.9	-0.1	2.2	0.2	0.2	-0.3
Jun-26	1.2	0.4	2.4	0.5	0.6	0.3



Source: BRC – NIQ

FOOD INFLATION LOWEST IN A YEAR

Shop price inflation eased to 0.9%. Food inflation continues to ease; however, non-food inflation remained in positive territory for the third consecutive month, following a sustained period of prices falling over the past number of years. On the month, non-food prices fell back, though big increases were again observed in electrical items as well as books, stationery and home entertainment.

Only clothing and footwear remains in deflation, of all categories, where the sharpest price reductions were observed, alongside furniture and flooring, and DIY, gardening and hardware goods. The broader picture is of mixed price pressures, but a trend upwards for non-food categories, likely to leave price growth over 2026 firmly in positive territory by year-end.

The Strait of Hormuz has effectively closed once again, and the question now is how long it stays that way. The number of vessels able to navigate freely is around 90% lower than before the conflict, having briefly recovered to a third of pre-conflict levels earlier in the month before the interim agreement collapsed. Non-food inflation is still expected to end the year above the 2025 average, and closer to the top of its recent range, albeit likely to remain lower than food inflation.

Food inflation for the end-consumer had already been elevated as a result of a heightened labour cost burden; however, the rise in imported food inflation over the coming months is likely to see it rise further by year-end. Whilst it is unlikely that food inflation will be as high as following the Ukraine-Russia conflict, it is likely to settle in the middle of the single digits, with a real chance of eclipsing the 6% mark.

Overview

% Change	Overall SPM		Food		Non-Food	
	On last year	On last month	On last year	On last month	On last year	On last month
Jul-26	0.9	-0.1	2.2	0.2	0.2	-0.3
Jun-26	1.2	0.4	2.4	0.5	0.6	0.3

OIL PRICES FALL ON THE MONTH

Consumer price inflation in the UK eased to 2.6% in June, down from 2.8% in the month preceding. Across the economy, prices are 31.2% higher than pre-Covid (Feb 2020) levels. The outlook for inflation has changed dramatically following the conflict in the Middle East, with energy prices soaring. Immediately, transport and energy costs will push up on inflation, with food likely to provide more upward pressure by year-end.

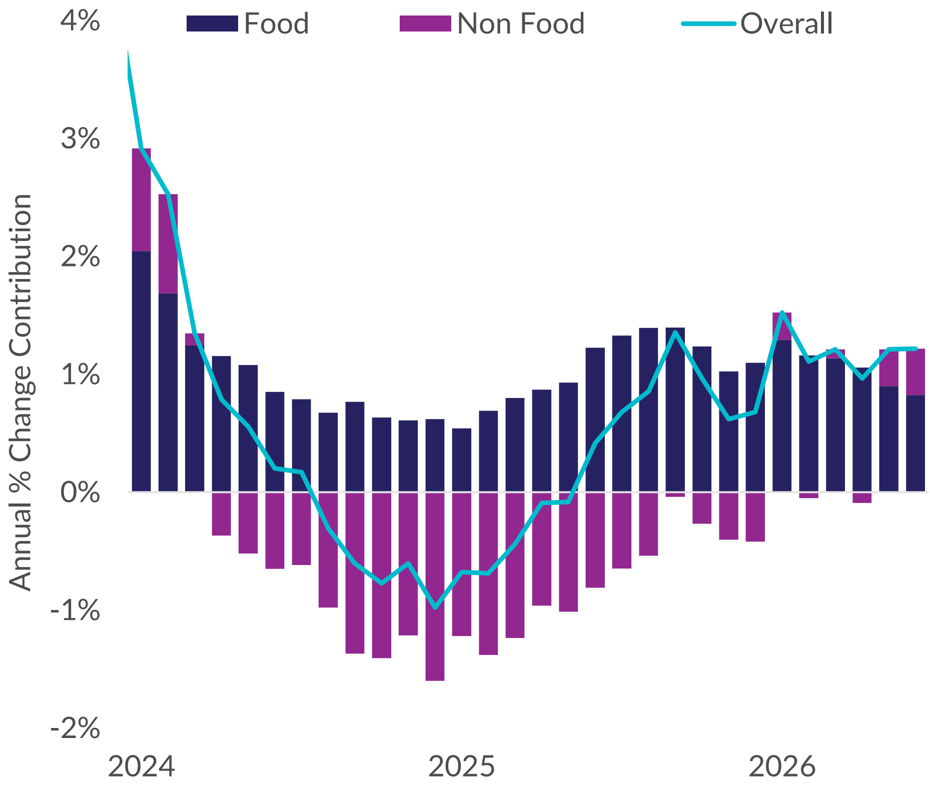
Global factors point to an intensification of geopolitical volatility. As a result, the New York Fed's Global Supply Chain Pressure Index (calculated by the US Federal Reserve) has surged back to levels last seen in 2022, driven primarily by the Middle East conflict's impact on shipping and processing of crude oil and other commodities, a clear signal of sharply worsening supply-chain conditions. Some commodity prices have nonetheless fallen back (oil), although are likely to remain elevated in the months ahead.

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 maintained an across-the-board 10% tariff, effective until late June. Global economic growth remains likely to slow, which may exert downward pressure on energy prices towards year-end. The near-term trajectory of price movements is likely to remain upward, although demand destruction through higher energy costs could apply downward pressure in time.

Focusing specifically on oil, prices have dropped precipitously following the US-Iran coming to their Memorandum of Understanding, with the initial closure of the Strait of Hormuz having pushed Brent crude past $120 a barrel in April, now at $80.47 (month-to-date-average) with further talks underway. Geopolitical risk remains elevated and the situation fragile, following numerous ceasefire violations on both sides.

Looking further down the supply-chain, into the domestic sphere, the producer price inflation series suggests input (cost of raw materials) inflation is higher than output (goods leaving the factory-gate) inflation. A sharp rise in crude oil costs has pushed input inflation to its highest since February 2023. For now, domestic food inputs remain in annual deflation, however imported food is now experiencing slight inflation, likely to pick up over the coming months.

FOOD & NON-FOOD



Source: BRC – NIQ

Food

2.2%

June, YOY change

Food contributed 0.7% to the overall shop price figure, and **inflation** slowed in July to 2.2%. This is below the 12-month average and the 6-month average price growth rates of 3.3% and 2.9%, respectively.

Non-Food

0.2%

June, YOY change

Non-Food contributed 0.1% to the overall shop price figure, and **inflation** eased to 0.2% in July. This is above the 12-month, but in line with the 6-month average price growth rates of -0.1% and 0.2%, respectively.

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
Jul-26	2.2	0.2	3.1	0.5	1.1	-0.3
Jun-26	2.4	0.5	2.8	0.3	1.9	0.9

FRESH FOOD

Fresh Food inflation increased to 3.1% year on year in July, against growth of 2.8% in June. This is below the 12-month and 6-month average price inflation rates of 3.9% and 3.7%, respectively.

Month-on-month, Fresh food prices increased by 0.5%.

AMBIENT FOOD

Ambient Food inflation decreased to 1.1% year on year in July, against growth of 1.9% in June. This is below the 12-month and 6-month average price inflation rates of 2.5% and 1.8%, respectively.

Month-on-month, ambient food prices decreased by 0.3%.

WHOLESALE DAIRY PRICES

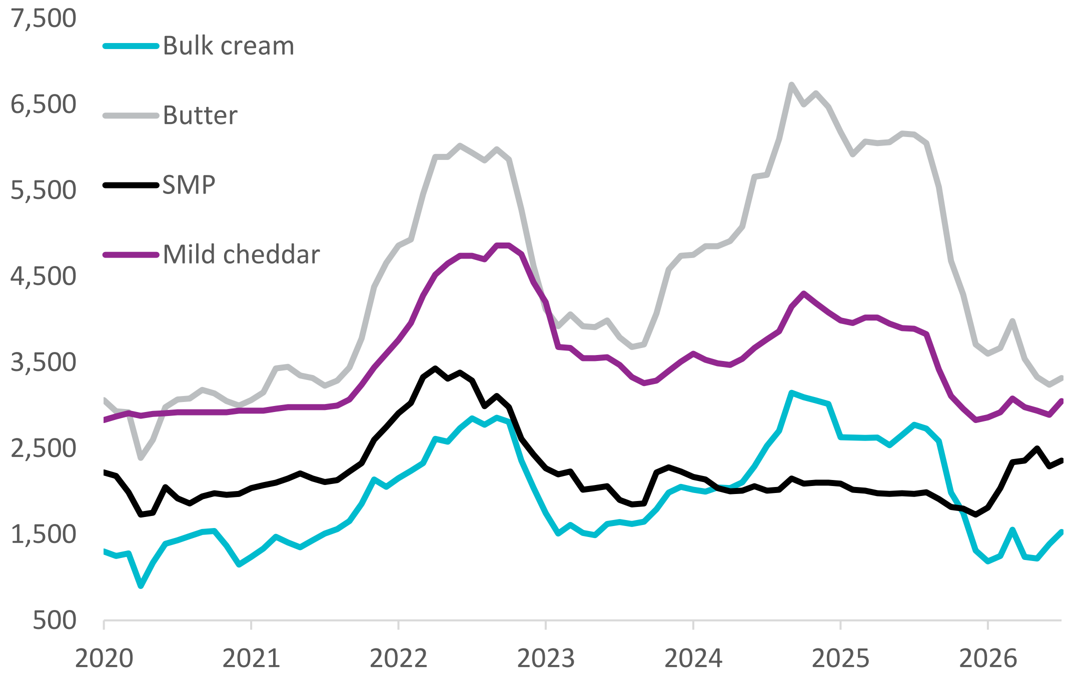
July UK Dairy wholesale prices (see chart) saw monthly price increases in all categories.

Prices rose 10.3% for Bulk Cream, 3.1% for Skim Milk Powder, 5.5% for Mild Cheddar and 2.5% for Butter.

In annual terms, prices were lower in all categories except Skim Milk Powder.

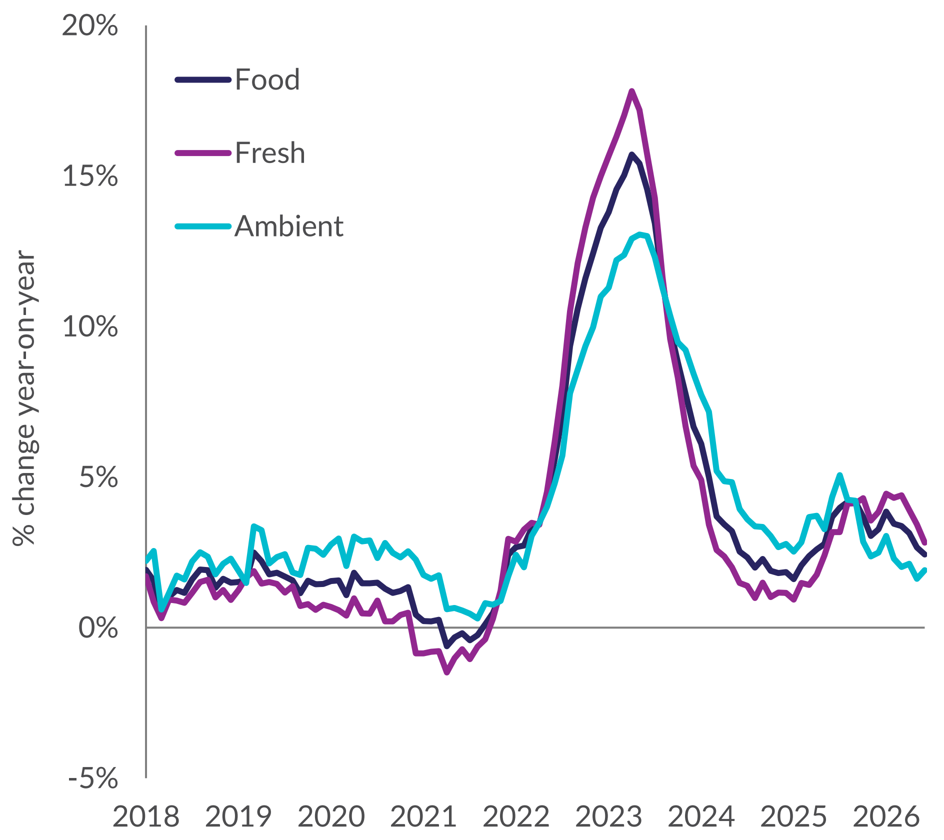
UK WHOLESALE DAIRY PRICES, JUNE 2026

	Bulk Cream	Butter	Skim Milk Powder	Mild Cheddar
YoY	-44.8%	-46.0%	19.8%	-21.6%
MoM	10.3%	2.5%	3.1%	5.5%



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

FOOD



Source: BRC – NIQ

UK PRODUCE PRICES

Yearly price changes of home-grown produce continued to display a wide degree of variation in June.

The largest price decrease in vegetables was 57% for Onions (bulb brown), and the largest price rise was 105% for cucumber.

Fruit inflation also varied, with blackberries showing the highest increase at 93% and Gooseberries showing the biggest decrease at -6.9%.

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

Onion (Bulb brown)	-57%
Sweetcorn	-45%
Cabbage (Red)	-33%
Coriander (Bunch)	-26%
Capsicum (Elongated)	-24%
Apples (Other Late Season)	49%
Capsicum (Green)	49%
Capsicum (Red)	81%
Blackberries	93%
Cucumbers	105%

Source: DEFRA wholesale prices of home-grown produce in England and Wales. July 2026 prices are an average of prices in weeks ending: 06/07, and 20/07.

NON-FOOD

	July-26		June-26	
Shop Price Category	On last year	On last month	On last year	On last month
Clothing & Footwear	-5.0	-1.6	-3.8	-0.3
Electrical	0.8	1.2	0.6	0.6
Health & Beauty	1.2	0.7	1.8	0.1
Other Non-Food	1.3	-0.2	1.7	0.6
Books, Stationery & Home Entertainment	3.4	1.4	3.0	2.2
Furniture & floor covering	1.6	-1.1	1.7	0.2
DIY, Gardening & Hardware	0.2	-0.2	0.2	-0.2
Total NON-FOOD	**0.2**	**-0.3**	**0.6**	**0.3**

NON-FOOD

Non-Food inflation decreased to 0.2% year on year in July, against growth of 0.6% in June. This is above the 12-month but in line with the 6-month average price inflation rates of -0.1% and 0.2%, respectively.

Only one of the sub-categories remains in deflation, and the rest remained in inflation. On the month, Non-Food prices fell 0.3%, and prices fell on the month in four of the seven categories of the index.

Clothing & Footwear inflation decreased to -5.0% year on year in July, against a decline of -3.8% in June. This is below the 12-month and 6-month average rates of -4.3% and -3.2%, respectively. **Baby** clothing entered inflation, whereas **Men's**, **Women's**, **Children's**, **Other Clothing** and **Clothing Accessories** (children's clothing saw the steepest price deflation), remained in deflation. Month-on-month, headline prices fell 1.6%.

Electricals inflation increased to 0.8% year on year in July, against growth of 0.6% in June. This is above the 12-month and 6-month average rates of -1.3% and -0.9%, respectively. **Audio-Visual Equipment** inflation slowed, and **Household Appliances** deflation lessened. Month-on-month, headline prices rose by 1.2%.

Health & Beauty inflation decreased to 1.2% year on year in July, against growth of 1.8% in June. This is below the 12-month and 6-month average rates of 2.1% and 1.5%, respectively. Inflation slowed for **Personal Care** and for **Toiletries & Cosmetics** re-entered inflation. Month-on-month, headline prices rose 0.7%.

NON-FOOD

	July-26		June-26	
Shop Price Category	On last year	On last month	On last year	On last month
Clothing & Footwear	-5.0	-1.6	-3.8	-0.3
Electrical	0.8	1.2	0.6	0.6
Health & Beauty	1.2	0.7	1.8	0.1
Other Non-Food	1.3	-0.2	1.7	0.6
Books, Stationery & Home Entertainment	3.4	1.4	3.0	2.2
Furniture & floor covering	1.6	-1.1	1.7	0.2
DIY, Gardening & Hardware	0.2	-0.2	0.2	-0.2
Total NON-FOOD	**0.2**	**-0.3**	**0.6**	**0.3**

NON-FOOD (Cont.)

Other Non-Food inflation decreased to 1.3% year on year in July, against growth of 1.7% in June. This is above the 12-month and 6-month average rates of 1.0% and 1.2%, respectively. **Tobacco** inflation was unchanged, **Recreation & Sport** slowed, **Pets, Related Products & Services** remained in deflation, whereas **Personal Effects** deflation lessened slightly and **Non-Durable Household Goods** inflation slowed. Month-on-month, headline prices fell by 0.2%.

Books, Stationery & Home Entertainment inflation increased to 3.4% year on year in July, against growth of 3.0% in June. This is above the 12-month and 6-month average rates of 0.6% and 1.6%, respectively. Yearly deflation lessened for **Home Entertainment** deflation lessened, **Stationery** products inflation picked up, as well as for **Books & Newspapers**. Month-on-month, headline prices increased by 1.4%.

Furniture & Flooring inflation decreased to 1.6% year on year in July, against growth of 1.7% in June. This is above the 12-month and 6-month average rates of 0.6% and 1.1%, respectively. **Furniture, Furnishings & Carpets** inflation slowed and **Household Textiles** inflation picked up. Month-on-month, headline prices decreased by 1.1%.

DIY, Gardening & Hardware inflation decreased to 0.2% year on year in July, against growth of 0.2% in June. This is below the 12-month but above the 6-month average rates of 0.2% and -0.1%, respectively. **House & Garden** products inflation picked up, and **Household Utensils** deflation deepened. Month-on-month, headline prices decreased 0.2%.

COMMODITIES

UK INPUT INFLATION

June input prices (materials and fuels purchased by manufacturers) rose by 7.3% year-on-year, up from a revised rise of 9.3% in May. On a monthly basis, input prices fell by 2.0%, following a 0.6% increase in the previous month.

The largest upward contribution to annual input inflation came from inputs of crude oil as well as metals and non-metallic mineral products. The only downward contributor was inputs of domestic food, pulling down the headline input inflation rate.

UK OUTPUT INFLATION

June output prices (factory gate prices) rose by 3.5% year-on-year, down from a revised 3.7% increase in May. On a monthly basis, output prices were flat, following a 0.3% rise in the month preceding.

In annual terms, coke and refined petroleum provided the largest upward contribution to output inflation, with prices rising 43% over the year.

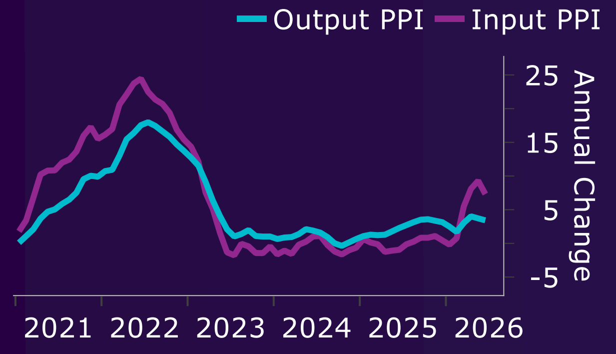
COMMODITY PRICE INDEX

Global Commodity prices rose notably over July and are 31.7% 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 11.8% 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

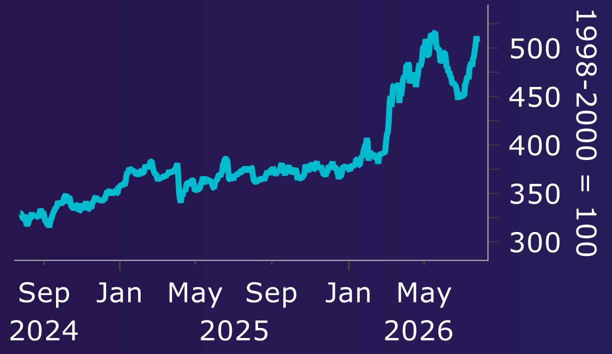
The FAO Food Price Index averaged 130.3 points in June 2026, down slightly from May's level. Increases in vegetable oils and meat were largely offset by declines in sugar, cereals and dairy. The index now sits modestly above its level a year earlier but remains nearly one-fifth below the peak reached in March 2022.

PRODUCER PRICE INDEX (PPI)



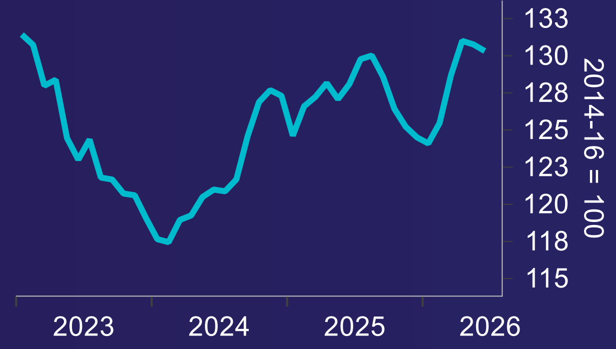
Source: ONS

COMMODITY PRICE INDEX



Source: Macrobond

GLOBAL FOOD PRICE INDEX



Source: UN, The Food and Agricultural Organisation

GLOBAL FOOD

GLOBAL FOOD PRICES - JUNE

In June 2026, the FAO Food Price Index eased to 130.3 points (100 = 2014-16), down 0.3% from May's figure. Firmer prices for vegetable oils and meat were outweighed by falls in sugar, cereals and dairy. The index sits 1.7% above its level a year ago yet remains almost one-fifth below the peak reached in March 2022.

Sugar

Prices fell 13.3% year-on-year

Sugar prices fell 5.7% month on month, reversing sharply after May's strength. The decline reflected lower domestic ethanol prices in Brazil, down for a third straight month, which encouraged more sugarcane towards sugar. Brisk Brazilian exports and a weaker real added pressure, though El Niño worries over India and Thailand cushioned the fall.

Meat

Prices rose 4.0% year-on-year

Meat prices rose 0.4% month on month in June, reaching a fresh record high. Poultry led the advance on firm Brazilian export prices and strong import demand, while lamb firmed further on limited supplies. Beef and pork prices slipped, reflecting ample EU supplies and softer Australian quotations.

DAIRY

Prices fell 24.5% year-on-year

Dairy prices fell 1.5% month on month, extending their slide and staying far below year earlier levels. Butter and cheese weighed on the index, reflecting improving milk availability and heavier EU and US production. Skimmed milk powder slipped too, ending a five-month climb, yet remained the sole product trading above its year ago level.

Cereal

Prices increased 2.7% year-on-year

Cereal prices fell 3.5% month on month in June. Wheat softened on rapid Black Sea harvest progress and ample supply prospects, outweighing worries over US and Australian crops. Maize also dropped, weighed by plentiful South American supplies and cheaper crude. Barley and sorghum eased in tandem, while rice rose 3.2% on firmer Asian demand.

VEGETABLE OILS

Prices rose 23.3% year-on-year

Vegetable oil prices rose 3.8% month on month, rebounding after May's decline. Palm oil recovered, supported by tighter Indonesian export availability and firm biodiesel demand. Rapeseed oil climbed further on poor weather in Australia and Canada, while sunflower held steady and soya oil edged lower on ample supplies.

Oil prices

Source US Energy Information Administration:

Oil Prices

+13.7%

July, YOY change

Oil Prices

-5.8%

July, YOY change

Oil prices

In July, oil prices fell, averaging (month-to-date) $80.47 per barrel, with an earlier pausing of hostilities following the Memorandum of Understanding.

The seven OPEC+ countries, namely Saudi Arabia, Russia, Iraq, Kuwait, Kazakhstan, Algeria, and Oman met virtually on 5 July 2026, to review global market conditions and outlook.

In their collective commitment to support oil market stability, the seven countries decided to implement a production adjustment of 188 thousand barrels per day from the additional voluntary adjustments announced in April 2023, to be implemented in August 2026.

The additional voluntary adjustments may be returned in part or in full, subject to evolving market conditions. The seven countries will meet next on 2 August 2026.

methodology

GLOBAL FOOD PRICES - APRIL

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-oftown 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.

About us

The BRC has a diverse team of experts dedicated to providing insight into the UK's retail industry. They work across several specialities to bring together cutting-edge data sources and provide in-depth analysis of both into fast-moving market developments and longer-term structural trends. We help our members with insight into the market in which they operate and to benchmark their performance against their peers.

The BRC produces some of the leading measures of UK retail performance, including sales, footfall, property vacancies and more.

You can find out more about our work by visiting https://brc.org.uk/market-intelligence/

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