



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 August 2024

Strictly embargoed until 0.01hrs, Tuesday 27<sup>th</sup> August 2024

August 2024



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# Headline commentary



“Shop prices fell into deflation for the first time in nearly three years. This was driven by non-food deflation, with retailers discounting heavily to shift their summer stock, particularly for fashion and household goods. This discounting followed a difficult summer of trading caused by poor weather and the continued cost of living crunch impacting many families. Food inflation eased with fresh food prices, especially fruit, meat and fish, seeing the biggest monthly decrease since December 2020 as supplier input costs lessened.”

“Retailers will continue to work hard to keep prices down, and households will be happy to see that prices of some goods have fallen into deflation. The outlook for commodity prices remains uncertain due to the impact of climate change on harvests domestically and globally, as well as rising geopolitical tensions. As a result, we could see renewed inflationary pressures over the next year.”

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



“Shop price inflation has fallen again in August as many non-food retailers have kept promotional support due to the unpredictable weather and food retailers have introduced more price cuts to help drive incremental sales during the ‘summer of sport’.”

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

# Executive Summary

Shop prices fell into deflation for the first time since October 2021, with prices 1% lower since the end of 2023. Of all categories, ambient food inflation remains the highest, driven by the heightening price of crisps and snacks. In contrast, fresh food prices fell on the month by the most since December 2020. Non-food deflation intensified, with heightened discounting in fashion, electricals as well as health and beauty.

Commodity prices have been broadly stable over August with oil falling, although natural gas prices did rise back up again following Ukraine's incursion into Russia. Price pressure will likely linger given geopolitical uncertainties, now not restricted to the Middle East. Price levels for the end-consumer are expected to plateau over H2 2024, and into early 2025.

## All prices

Shop Price deflation was at 0.3% in August, down from inflation of 0.2% in the previous month. This is below the 3-month average rate of 0.0%. Shop price annual growth remained at its lowest rate since October 2021.

**-0.3%**  
% change year-on-year

## Non-Food

Non-Food remained in deflation at -1.5% in August, further down from -0.9% in the preceding month. This is below the 3-month average rate of -1.1%. Inflation is at its lowest rate since July 2021.

**-1.5%**  
% change year-on-year

## Food

Food inflation slowed to 2.0% in August, down from 2.3% in July. This is below the 3-month average rate of 2.3%. The annual rate continues to ease in this category and inflation is at its lowest rate since November 2021.

**2.0%**  
% change year-on-year

## Fresh

Fresh Food inflation slowed further in August, to 1.0%, down from 1.4% in July. This is below the 3-month average rate of 1.3%. Inflation is its lowest rate since October 2021.

**1.0%**  
% change year-on-year

## Ambient

Ambient Food inflation decelerated to 3.4% in August, down from 3.6% in July. This is below the 3-month average rate of 3.7% and is the lowest rate since March 2022.

**3.4%**  
% change year-on-year

% Change	Overall SPI		Food		Non-Food	
	On last year	On last month	On last year	On last month	On last year	On last month
Aug-24	-0.3	0.0	2.0	0.2	-1.5	-0.1
Jul-24	0.2	-0.1	2.3	0.1	-0.9	-0.2

## HEADLINE MEASURE IN DEFLATION

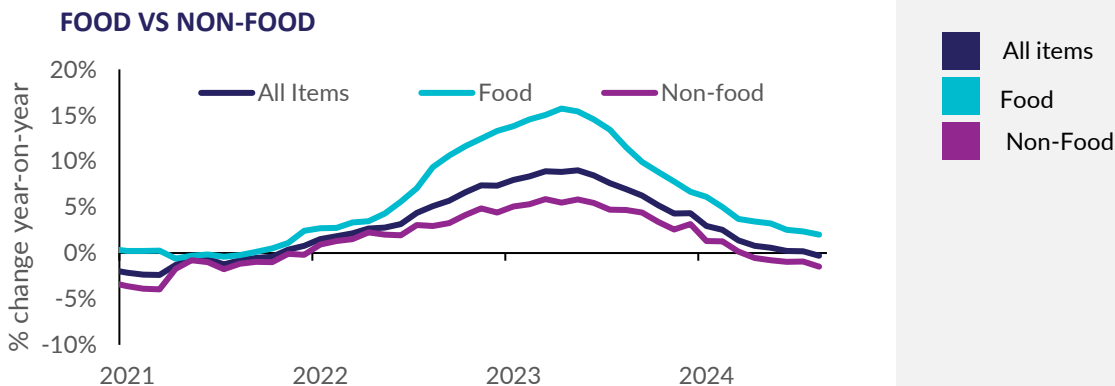
Shop price inflation fell to its lowest since October 2021 and in monthly terms, prices were flat, following a decrease of 0.1% in the preceding month. Food price inflation continues to ease, though price levels remain elevated. Non-food items saw price deflation intensify, with strong monthly decreases in clothing and footwear, electricals as well as books, stationery & home entertainment. Currently, three of the constituent categories are now in deflation.

Shop price inflation has eased considerably from all-time highs in August 2023. This has been primarily driven by price declines in non-food categories. Whilst food price inflation has eased off considerably, price pressures in the ambient category of food items linger. This category is anticipated to see sustained inflationary pressures.

Non-Food items remained in deflation this month, in keeping with historical pricing patterns. Price declines were observed in clothing and footwear, electricals, health and beauty, in addition to books, stationery & home entertainment. In contrast, furniture and flooring saw a strong price rise on the month with the price of other non-food also seeing a slight rise.

Business input costs, as measured by producer price inflation (PPI) within the domestic supply chain entered slight inflation, though prices charged by producers (output costs) have started to settle over the previous year. Commodity prices were broadly flat over the previous month, although higher than a year ago.

Shop Price Inflation  
at lowest rate since  
October 2021



% Change	Overall SPI		Food		Non-Food	
	On last year	On last month	On last year	On last month	On last year	On last month
Aug-24	-0.3	0.0	2.0	0.2	-1.5	-0.1
Jul-24	0.2	-0.1	2.3	0.1	-0.9	-0.2

### OIL PRICES FALL TO \$81 A BARREL (BRENT)

The Consumer Price Inflation (CPI) measure rose to 2.2%, a slight rise as overall price levels begin to settle. Prices across the entire economy remain 23% higher than pre-Covid levels and are unlikely to fall much further back over the coming year. Inflation is expected to broadly plateau though uncertainty remains surrounding whether the rate of inflation will be at or above the 2% target rate by year-end.

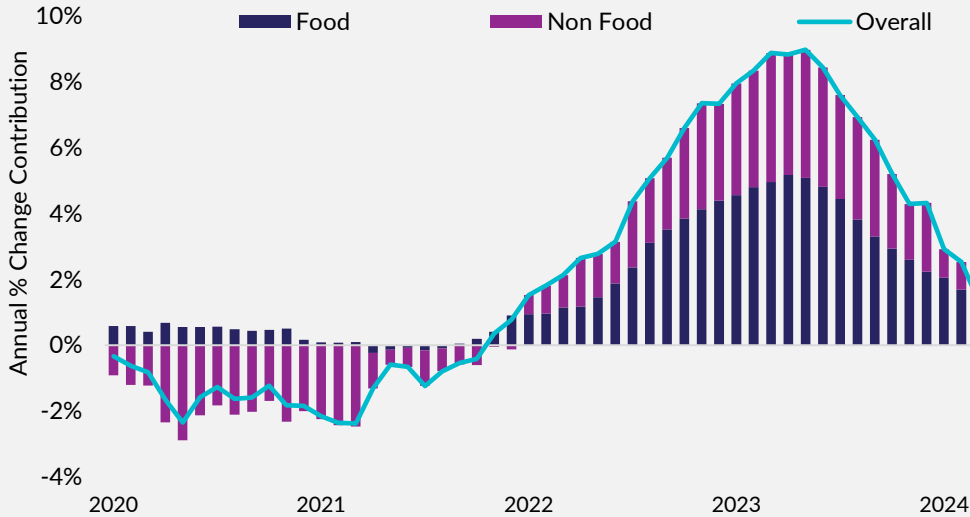
Global supply chain conditions improved in July, with the Global Supply Chain Pressure Index calculated by the US Federal Reserve suggesting conditions were about average. Tail risks to the outlook remain in play, and if they materialise, could slow down disinflation over the coming quarters. Certain commodity prices continue to remain elevated, such as metals and particular food commodities.

Commodity prices were slightly lower over August, and relatively lower gas costs (compared to a year ago) are placing downward pressure on fertiliser prices for food producers. Input costs have re-entered slight inflation, however the level of costs is likely to broadly settle over the coming year. Moreover, business cost bases will remain elevated over 2024/25, particularly when factoring in labour costs and taxes. This implies a slow pass-through of price easing.

Global oil prices rose to \$80.57 a barrel (August month-to-date average), lower on the preceding month. Petroleum product input costs rose over the previous year, and risks remain skewed to the upside for further movements in oil price levels. Fuel prices have settled somewhat since the recent rise in oil prices, back in April.

Input costs in other categories, most notably food, remain lower than a year ago, particularly in the case of imported food (though prices did rise on the month). This brought imported food materials into annual deflation of 2.1%. Domestic food prices fell on the month though remains in slight inflation (1.9%). Hence food inflation is expected to broadly plateau over the coming quarter. Despite this, localised supply bottlenecks in key consumables such as olive oil, cocoa, butter and coffee are prolonging the inflation felt by the consumer, with certain costs continuing to be passed down the supply chain.

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



Source: BRC-NielsenIQ

## FOOD

**Food** contributed 0.7% to the overall shop price figure, and **inflation** decreased in August to 2.0%. This is below the 12-month and 6-month average price growth rates of 5.2% and 2.9%, respectively. This represents the sixteenth consecutive deceleration in the food series.

Food

**2.0%**

August, YOY change

## NON-FOOD

**Non-Food** contributed -1.0% to the overall shop price figure, and remained in **deflation**, decreasing further to -1.5% in August. This is below the 12-month and 6-month average price growth rates of 1.0% and -0.7%, respectively.

Non-Food

**-1.5%**

August, YOY change

% Change	Food		Fresh		Ambient	
	On last year	On last month	On last year	On last month	On last year	On last month
Aug-24	2.0	0.2	1.0	-0.4	3.4	1.0
Jul-24	2.3	0.1	1.4	0.3	3.6	-0.2

## FRESH FOOD

Fresh Food inflation decelerated in August to 1.0%, down from 1.4% in July. This is below the 12-month and 6-month average price growth rates of 4.1% and 1.8%, respectively.

Month-on-month Fresh food prices fell by 0.4%.

August UK Dairy wholesale prices (see chart) saw monthly price increases in all but one of the four categories. Bulk Cream prices increased by 6.9%, Butter prices rose by 7.4%, Skim Milk Powder rose by 0.5% and Mild Cheddar rose by 2.4%. In annual terms, prices remained higher in all of the four dairy categories.

## AMBIENT FOOD

Ambient Food inflation decelerated to 3.4% in August, down from 3.6% in July. Inflation in this category remains elevated. This is below the 12-month and 6-month average price increases of 6.6% and 4.3%, respectively.

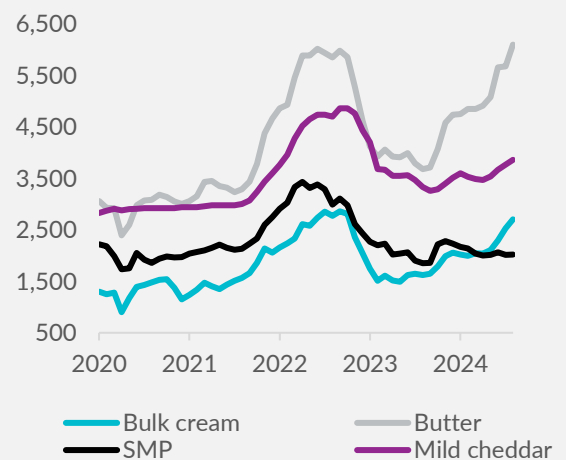
Month-on-month ambient food prices rose by 1.0%.

## UK WHOLESALE DAIRY PRICES, AUGUST 2024

	Bulk cream	Butter	Skim Milk Powder	Mild Cheddar
YoY	66.5%	65.8%	9.2%	15.9%
MoM	6.9%	7.4%	0.5%	2.4%

Source: Agricultural & Horticulture Development Board Dairy.

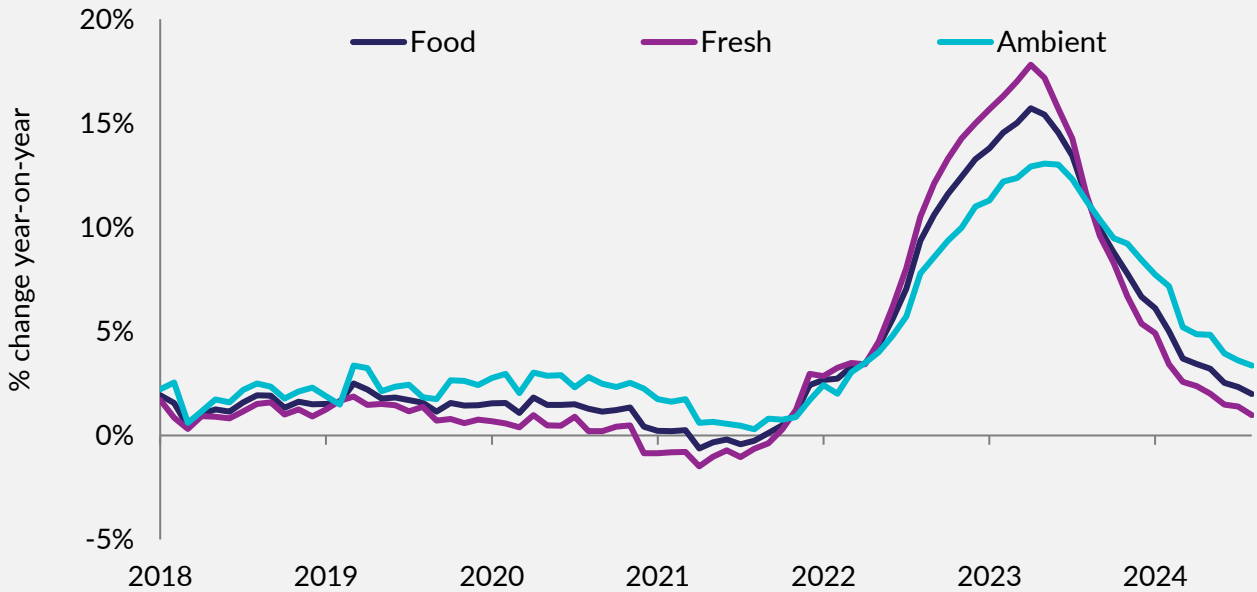
## UK WHOLESALE DAIRY PRICES, AUGUST 2024



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 August.

The biggest price decrease in vegetables was -35% for cauliflower and the largest price rise was 58% for turnips.

Fruit inflation also varied, with Bramley's apples showing the highest increase at 62% and strawberries showing the biggest decrease at -47%.

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

Strawberries	-47%
Cauliflower	-35%
Plums (Victoria)	-29%
Beans (Runner Climbing)	-27%
Coriander	-25%
Capsicum (Elongated)	30%
Parsnips	37%
Turnips	58%
Blackberries	60%
Apples (Bramley's)	62%

Source: DEFRA wholesale prices of home-grown produce in England and Wales. August 2024 prices are an average of prices in weeks ending: 02/08, 09/08 and 16/08.

	AUGUST-24		JULY-24	
	On last year	On last month	On last year	On last month
Clothing & Footwear	-11.2	-1.6	-8.0	-0.8
Electrical	-1.2	-0.5	-0.7	0.2
Health & Beauty	2.6	-0.5	3.0	1.8
Other Non-Food	0.3	0.4	0.3	-0.4
Books, Stationery & Home Entertainment	0.6	-0.5	0.9	-1.5
Furniture & floor covering	-1.7	0.5	-2.2	-0.7
DIY, Gardening & Hardware	2.1	0.2	2.1	0.1
<b>Total NON-FOOD</b>	<b>-1.5</b>	<b>-0.1</b>	<b>-0.9</b>	<b>-0.2</b>

## NON-FOOD

Non-Food inflation remained in negative territory at -1.5% in August. This is below the 12-month and 6-month average price increase of 1.0% and -0.7%, respectively. Three of the sub-categories remained in deflation and four remained in inflation. Of the latter, two saw inflation ease, and the other two were unchanged in the index's basket of goods. On the month, overall Non-Food prices fell, and prices fell in four of the seven categories of the index.

**Clothing & Footwear** prices were 11.2% lower over the previous year, compared to 8.0% lower in July. This is below the 12-month and the 6-month average price inflation rate of -4.8% and -8.3%, respectively. **Men's, Women's, Children's and Other Clothing** as well as **Footwear** and **Baby Clothing** remained in deflation. Women's clothing is seeing the steepest discounts Month-on-month, headline prices fell by 1.6%.

**Electricals** prices fell over the previous year, by 1.2%, down from -0.7% in the preceding month. This was below the 12-month and the 6-month average price decreases of -0.6% and -1.1%, respectively. **Audio-Visual Equipment** remained in deflationary territory, and **Household Appliances** were flat over the previous year. Month-on-month, headline prices fell by 0.5%.

**Health & Beauty** inflation decelerated to 2.6% in August, down from 3.0% in July. This is below the 12-month but above the 6-month average price growth rates of 3.4% and 2.3%, respectively. Inflation for both **Toiletries & Cosmetics** and **Personal Care** decelerated. Month-on-month, headline prices fell by 0.5%.

	AUGUST-24		JULY-24	
	On last year	On last month	On last year	On last month
Clothing & Footwear	-11.2	-1.6	-8.0	-0.8
Electrical	-1.2	-0.5	-0.7	0.2
Health & Beauty	2.6	-0.5	3.0	1.8
Other Non-Food	0.3	0.4	0.3	-0.4
Books, Stationery & Home Entertainment	0.6	-0.5	0.9	-1.5
Furniture & floor covering	-1.7	0.5	-2.2	-0.7
DIY, Gardening & Hardware	2.1	0.2	2.1	0.1
Total NON-FOOD	-1.5	-0.1	-0.9	-0.2

### NON-FOOD (cont.)

**Other Non-Food** remained unchanged at 0.3% in August. This is below the 12-month average of 2.2% and the 6-month average of 0.6%. **Tobacco**, and **Non-Durable Household Goods** and **Recreation & Sport** inflation decelerated but remained in deflation for **Personal Effects**. **Pets, Related Products & Services** re-entered deflation. Month-on-month, headline prices increased by 0.4%.

**Books & Stationery** inflation decelerated to 0.6% in the 12 months to August, down from 0.9%. This is below the 12-month average price increase of 2.0% and the 6-month average price growth rate of 2.1%. Yearly deflation decelerated in August for **Home Entertainment and Stationery** while for **Books & Newspapers** price growth slowed down. Month-on-month, headline prices fell by 0.5%.

**Furniture** remained in deflation, though rose to -1.7% in August, up from -2.2% in July. This is below the 12-month average price increase of 1.7% and the 6-month average price decrease of 0.8%. Deflation accelerated for **Furniture, Furnishings & Carpets** and for **Household Textiles** fell into deflation. Month-on-month, headline prices rose by 0.5%.

**DIY & Gardening** inflation was unchanged at 2.1% in the 12 months to August. This is below the 12- and 6-month average price growth rates of 3.0% and 2.2%, respectively. **House & Garden products'** saw price growth accelerate though **Household Utensils** saw deflation accelerate. Month-on-month, headline prices picked up by 0.2%.

## UK OUTPUT INFLATION

July Output prices (those for goods leaving the factory) rose by 1.4% compared to the same point last year, down from 1.7% in June.

In annual terms, the product groups with the highest rates of inflation are coke and refined petroleum, electrical products as well as textiles. Four product groups are currently experiencing mild deflation: chemicals, paper, alcohol and tobacco as well as food products.

## UK INPUT INFLATION

July Input prices (those for raw materials purchased by primary manufacturers) fell by 0.4%, compared with this point last year, up from a revised fall of 0.7%.

In annual terms, the product groups with the highest rates of inflation are inputs of crude petroleum, other inputs and domestic food. Four product groups are currently experiencing deflation: inputs of fuel, imported food, chemicals and core manufactured products.

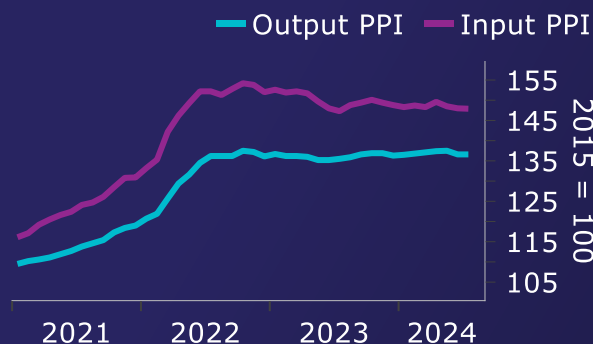
## COMMODITY PRICE INDEX

Global Commodity prices fell over August but remain 12.1% 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 0.3% lower 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

Global food prices saw a slight decrease in July 2024, with the index averaging 120.8 points, down 3.1% compared to the same month last year. The most significant rise was in vegetable oil prices, followed by sugar. This was balanced by a notable decline in cereal prices, which exerted downward pressure on the overall index.

## PRODUCER PRICE INDEX (PPI)



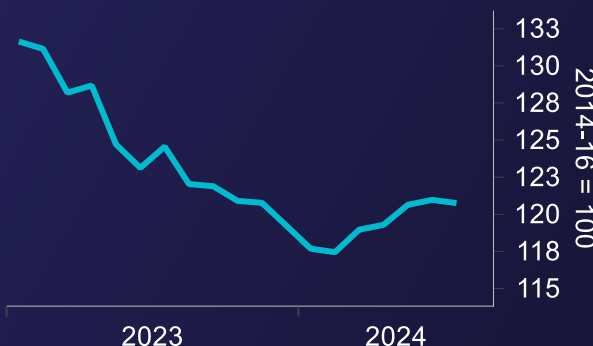
Source: ONS

## COMMODITY PRICE INDEX



Source: Macrobond

## GLOBAL FOOD PRICE INDEX



Source: UN, The Food and Agricultural Organisation

## GLOBAL FOOD PRICES - JULY

Global food prices, as reported by the United Nations, remained steady in July, following a rise of 1.8% in June. **Although still below the July 2022 peak, prices are 3.1% lower than a year ago.** The stability was due to balanced changes in various commodities, with a notable rise in vegetable oil prices offsetting declines in cereals.



### SUGAR

Prices fell 17.9% year-on-year

Sugar prices increased by 0.7% in July, marking a second consecutive monthly rise. This was due to lower-than-expected production in Brazil, concerns over dry weather conditions, and rising ethanol prices. This outweighed downward pressure from decent growing conditions in Thailand as well as India.



### MEAT

Prices rose 0.8% year-on-year

The Meat Price Index rose by 1.2% in July, 0.8% higher than a year ago. Bovine and ovine meat prices increased due to robust demand and reduced supply, while poultry prices also rose, driven by strong import demand and production challenges from animal diseases. In contrast, pig meat prices fell slightly due to oversupply and weaker demand, especially from Western Europe.



### DAIRY

Prices rose 7.2% year-on-year

Dairy prices remained stable in July, 7.2% higher than a year ago. Milk powder prices declined due to slack import demand, while butter and cheese prices saw moderate increases due to constrained supply and high internal sales in Western Europe.



### CEREALS

Prices decreased 12.0% year-on-year

Cereal prices dropped by 3.8% from June, standing 12.0% below July 2023 levels. The decline was driven by increased seasonal availability from wheat harvests and improved production prospects in key exporters, including the United States and Canada.

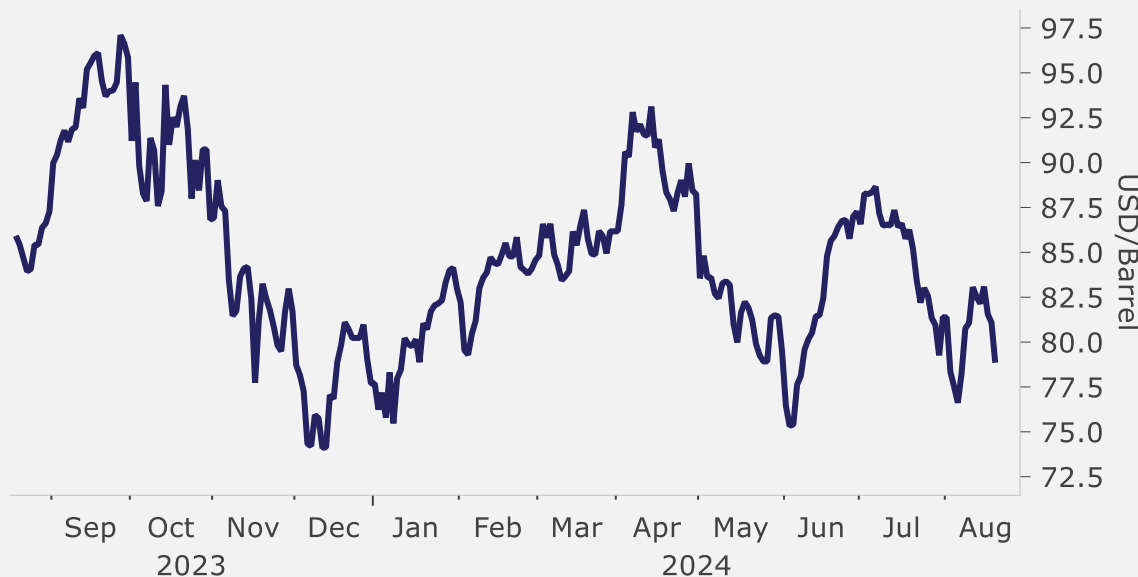


### VEGETABLE OILS

Prices rose 4.0% year-on-year

Vegetable oil prices rose by 2.4% in July, reaching a one-and-a-half-year high. The increase was driven by higher prices for palm, soy, sunflower, and rapeseed oils due to strong demand and supply concerns, particularly in major producing countries.

## GLOBAL BRENT CRUDE, DAILY SPOT PRICE



Source: US Energy Information Administration

## OIL PRICES

In August, oil prices fell, averaging \$80.57 per barrel, having recently risen as high as \$93 per barrel in mid-April. Despite production increases by the United Arab Emirates, the OPEC cartel of oil producers more broadly have extended production cuts over 2025. Slowing global economic activity is placing downward pressure on prices, though geopolitical tensions in the Middle East are providing considerable price support.

The OPEC group announced at the start of June to extend voluntary cuts in oil production, currently 2.2 million per day, into 2025, adding some upward price pressure.

The oil cartel's next meeting takes place on 1<sup>st</sup> December 2024, to determine output levels for 2025/26.

August YoY change

**-5.9%**

August MoM change

**-5.4%**

## HEADLINE YEAR-ON-YEAR CHANGE

Y-O-Y Change	OVERALL	NON-FOOD	FOOD	FRESH	AMBIENT
Aug-23	6.9	4.7	11.5	11.6	11.3
Sep	6.2	4.4	9.9	9.6	10.4
Oct	5.2	3.4	8.8	8.3	9.5
Nov	4.3	2.5	7.8	6.7	9.2
Dec	4.3	3.1	6.7	5.4	8.4
Jan	2.9	1.3	6.1	4.9	7.7
Feb	2.5	1.3	5.0	3.4	7.2
Mar	1.3	0.2	3.7	2.6	5.2
Apr	0.8	-0.6	3.4	2.4	4.9
May	0.6	-0.8	3.2	2.0	4.8
Jun	0.2	-1.0	2.5	1.5	3.9
Jul	0.2	-0.9	2.3	1.4	3.6
Aug-24	-0.3	-1.5	2.0	1.0	3.4

## HEADLINE MONTH-ON-MONTH CHANGE

M-O-M Change	OVERALL	NON-FOOD	FOOD	FRESH	AMBIENT
Aug-23	0.5	0.4	0.6	0.0	1.3
Sep	0.0	0.1	-0.1	-0.3	0.1
Oct	0.3	0.2	0.4	0.4	0.5
Nov	0.0	-0.1	0.3	0.1	0.6
Dec	0.4	0.5	0.0	0.2	-0.1
Jan	-0.7	-1.4	0.7	0.4	1.2
Feb	0.4	0.7	-0.1	-0.2	0.1
Mar	-0.4	-0.4	-0.3	-0.1	-0.7
Apr	-0.3	-0.8	0.5	0.5	0.6
May	0.2	0.2	0.2	0.0	0.6
Jun	-0.2	-0.2	-0.1	0.1	-0.4
Jul	-0.1	-0.2	0.1	0.3	-0.2
Aug-24	0.0	-0.1	0.2	-0.4	1.0

## CATEGORY YEAR-ON-YEAR CHANGE

Y-O-Y Change	Clothing & Footwear	Furniture & Floor Covering	Electrical	DIY, Gardening & Hardware	Books, Stationery & Home Ents	Health & Beauty	Other Non-Food
Aug-23	0.0	6.8	-1.1	6.5	1.2	5.8	6.4
Sep	-0.3	6.2	-0.5	5.4	3.3	5.3	6.5
Oct	-0.1	4.2	-0.6	4.0	1.3	5.3	5.0
Nov	0.5	3.3	-0.2	3.5	3.5	4.0	2.6
Dec	0.9	4.9	0.8	3.7	2.3	3.3	3.6
Jan	-3.8	2.6	-0.5	2.7	0.1	2.7	2.6
Feb	-5.5	4.1	0.4	3.0	0.3	3.1	1.9
Mar	-6.9	0.4	-1.6	2.8	0.1	2.9	1.9
Apr	-7.9	0.5	-0.8	1.7	2.6	1.5	0.5
May	-7.5	-1.0	-1.6	1.9	5.3	2.0	-0.1
Jun	-8.6	-1.2	-0.9	2.1	3.1	1.5	0.3
Jul	-8.0	-2.2	-0.7	2.1	0.9	3.0	0.3
Aug-24	-11.2	-1.7	-1.2	2.1	0.6	2.6	0.3

## CATEGORY MONTH-ON-MONTH CHANGE

M-O-M Change	Clothing & Footwear	Furniture & Floor Covering	Electrical	DIY, Gardening & Hardware	Books, Stationery & Home Ents	Health & Beauty	Other Non-Food
Aug-23	2.0	0.0	0.0	0.2	-0.2	-0.2	0.4
Sep	-0.5	0.2	-0.2	-0.5	1.5	0.6	0.5
Oct	0.9	-0.2	0.5	0.0	-0.9	0.6	0.0
Nov	0.7	-0.7	0.4	0.2	1.5	-0.3	-0.6
Dec	0.5	0.7	0.2	1.0	0.1	-0.3	0.7
Jan	-5.9	-1.2	-1.1	-0.6	-1.7	0.3	-0.3
Feb	-0.7	1.8	1.6	1.2	-0.4	0.6	0.5
Mar	-1.0	-0.8	-2.2	0.5	0.1	-0.1	-0.2
Apr	-1.9	-1.0	0.4	-0.9	2.4	-0.5	-0.8
May	0.0	-0.1	-0.2	0.3	0.1	0.6	0.5
Jun	-1.3	-0.3	-0.2	0.6	0.0	-0.1	0.1
Jul	-0.8	-0.7	0.2	0.1	-1.5	1.8	-0.4
Aug-24	-1.6	0.5	-0.5	0.2	-0.5	-0.5	0.4



## 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
Aug-23	111.9	173.5	167.3	182.7	87.3	36.1	102.8	58.5	123.0	110.6	128.0	125.1
Sep	112.0	173.3	166.9	182.9	87.4	35.9	103.0	58.4	122.4	112.2	128.7	125.7
Oct	112.3	174.1	167.5	183.7	87.6	36.3	102.8	58.7	122.4	111.1	129.4	125.7
Nov	112.3	174.7	167.8	184.9	87.5	36.5	102.1	58.9	122.7	112.7	129.0	124.9
Dec	112.7	174.7	168.1	184.7	87.9	36.7	102.9	59.0	123.9	112.9	128.6	125.8
Jan	111.9	176.0	168.7	187.0	86.7	34.5	101.6	58.4	123.2	110.9	129.0	125.4
Feb	112.4	175.9	168.3	187.1	87.3	34.3	103.4	59.3	124.7	110.5	129.8	126.1
Mar	112.0	175.3	168.2	185.9	86.9	33.9	102.7	58.0	125.3	110.7	129.7	125.8
Apr	111.6	176.2	169.0	187.0	86.2	33.3	101.6	58.2	124.2	113.3	129.1	124.8
May	111.8	176.6	168.9	188.1	86.4	33.3	101.6	58.1	124.5	113.4	129.8	125.4
Jun	111.7	176.4	169.1	187.3	86.3	32.8	101.3	58.0	125.3	113.5	129.7	125.5
Jul	111.6	176.6	169.6	186.9	86.1	32.6	100.6	58.1	125.3	111.8	132.0	125.0
Aug-24	111.6	177.0	169.0	188.9	86.0	32.1	101.1	57.8	125.6	111.3	131.4	125.6

## 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 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.

The sample includes superstores on out-of-town sites, town centre stores, local parade stores, 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 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 Index 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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