Food inflation to get worse over summer and prices to stay high, shoppers warned

Food inflation is set to accelerate over the summer, an industry group has warned, with higher prices expected to stay until the middle of next year.

The Institute of Grocery Distribution has predicted a peak for food inflation of 15% in the coming months led by meat, cereal, dairy, fruit and vegetable products.

Its study forecast that the average monthly spend on groceries for a family of four would reach £439 in January next year, up from £396 in the same month this year.

The result, it said, would be a rise in already evident "food stress" among the worst-off because of the wider <u>cost of</u> <u>living crisis</u>.

Some of the biggest rises have been in the cost of meat that relies on wheat for food, such as poultry, because of the surge in global wheat prices caused by Russia's war in Ukraine.

Advertisement Brexit and supply chain disruption related to COVID are also affecting prices, the group said.

The latest official figures from the Office for National Statistics put the pace of grocery inflation at just shy of 7%.

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There is growing evidence that shoppers' food spending habits are changing rapidly in the face of a broad rise in the cost of living.

The last available measure for the rate of inflation came in April and stands at a <u>40-year high of 9%</u>.

Although food has contributed to rising household bills, it was the unprecedented rise in the energy price cap that month that was mostly responsible for the latest figure.

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Fears for food banks as prices rise

The Bank of England expects inflation to top 10% later this year when the next rise, expected to add more than £800 to a typical annual gas and electricity bill, takes effect in October.

Fuel price have hit new records every day in recent weeks.

James Walton, chief economist at the Institute of Grocery Distribution, said: "From our research, we're unlikely to see the cost of living pressures easing anytime soon. "We are already seeing households skipping meals - a clear indictor of food stress."