

# Food prices 'see month-on-month fall for first time in two years'

Food prices have dropped for the first month in more than two years, according to an industry lobby group that says food inflation is now in single digits.

The British Retail Consortium (BRC)-NielsenIQ Shop Price Index found food [inflation](#) eased to an annual rate of 9.9% in September, which is down from 11.5% in August.

That's its lowest point since August last year.

The BRC credited stiff competition between its supermarket membership for the 0.1% fall in costs it registered early last month compared to August.

Overall shop price inflation decelerated further to 6.2% in September, the index said.

Helen Dickinson, the BRC chief executive, said it expected "shop price inflation to continue to fall over the rest of the year".

## TOO EARLY TO DECLARE FOOD INFLATION VICTORY



[James Sillars](#)

Business reporter

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The numbers in this report make for further encouraging

reading as we all grapple higher bills.

Supermarkets have been cutting selected prices in a bid to retain or win your custom but there is a key figure in this latest data we should not lose sight of.

That is, according to the BRC/Nielsen calculations, that the annual rate of food inflation is still running at 9.9%.

It means you were still paying almost 10% more in September than in the same month a year ago for a typical basket of staple goods.

Official inflation figures covering the month of September will be released later this month.

The last set of ONS data had food and non-alcoholic drink inflation running at 13.6% over the 12 months to August.

It would be a truly significant feat if that measure was to come down to single-digits within the space of a month.

A strong dollar has made UK imports more expensive and oil prices have been surging since July.

There are clearly price pressures yet to be felt.

“However there are still many risks to this trend – high interest rates, climbing oil prices, global shortages of sugar, as well as the supply chain disruption from the war in Ukraine,” she added.

“Retailers will continue to do all they can to support their customers and bring prices down, especially as households face being squeezed by higher energy and mortgage bills.”

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Aldi: 'Optimistic that customers will continue to see price reductions'

People who bought dairy, margarine, fish and vegetables would have seen lower prices than in August, with cheaper school uniforms and other classroom essentials too.

Advertisement

Fresh food prices are now 9.6% higher than a year ago, down from 11.6% last month, and its lowest rate since last July.

Read more:

[DWP confirms dates millions of households will receive £300](#)  
[Tesco and Sainsbury's using 'potentially dodgy tactics' with loyalty card prices](#)

Head of retailer and business insight at NielsenIQ, Mike Watkins, said slowing inflation is "good news", but warned there is still pressure on household budgets.

“So, it will be important for retail sales to keep momentum, which means we can expect more price cuts and increased promotional activity across all retail channels,” he said.