Grocery price inflation falls again – see which items are now cheaper and more expensive

Grocery price inflation has eased for the fifth month in a row – as the cost of some staples come down.

Closely watched data from Kantar Worldpanel, which tracks supermarket sales and bills, found that while the expense of a food shop is still higher than last year, the pace of price rises has been slowing down this summer.

Its researchers reported a grocery price **inflation** rate of 12.7% in the four weeks to 6 August – **a 2.2 percentage point drop from the month before**.

Kantar said a fall in the cost of some staples was a factor.

Items that have seen a price reduction include:

- Pint of milk: £1.50 down from £1.69 in March
- Litre of sunflower oil: £2.19 down from £2.41 in the spring

Kantar's head of retail and consumer insight, Fraser McKevitt, said: "The latest slowdown in price rises is the second sharpest monthly fall since we started monitoring grocery inflation in this way back in 2008.

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“Prices are still up year on year across every supermarket shelf, but consumers will have been relieved to see the cost of some staple goods starting to edge down compared with earlier in 2023.”

He said the average increase in households’ weekly grocery shop is £5.13, when compared with last year.

Researchers also found that the recent wet weather across much of the UK had an impact on supermarkets’ figures in July.

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Sales of ice cream and Halloumi were down around 30% – while purchases of soft drinks fell by nearly a fifth.

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However sales of soup – traditionally seen as a winter warmer product – were up 16% year-on-year.

Kantar said the gloomy weather was also likely to have

contributed to a drop in footfall, which was down for the first time in 18 months as people made 320,000 fewer trips to supermarkets compared to a year ago.

Overall take-home grocery sales rose by 6.5% in the four weeks to 6 August, down from 10.4% in the previous period.

But researchers said other supermarkets may soon benefit from the collapse of Wilko, **which went into administration last week**.

The chain's 400 stores remain open – for now – **but its long-term future is in doubt**.

"Wilko is a popular choice for many shoppers with 7.6 million households visiting its stores to buy groceries in the last year," said Mr McKevitt.

He added: "Wilko's rivals will be keeping a close eye on its fortunes in the coming days and weeks as they look to draw some of its shoppers through their doors."

Kantar's research comes ahead of new official inflation figures, which are due to be released by the Office for National Statistics on Wednesday morning.

Last month it reported a **bigger-than-expected drop in the rate to 7.9% in the year up to June**.

The Bank of England then **decided to raise interest rates for the 14th time in a row to 5.25%** as part of attempts to bring inflation back down to its target of 2%.

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Economy more ‘resilient’ than expected

Inflation is expected to fall again this week, although experts believe it is unlikely the Bank will achieve its target this year.

The Bank of England’s chief economist, Huw Pill, also said last week that **food prices may never fall back to the level they were before the war in Ukraine began**.

Separate figures from the **British Retail Consortium (BRC) earlier this month** also suggested food price inflation has been falling in recent months, with the cost of some staples coming down.

But it warned the trend may not continue smoothly this year because there were “dark clouds on the horizon”.

The BRC said this included the potential impact on prices of Russia’s **decision to pull out of a deal to allow the safe**

export of grain from Ukraine, as well as a **ban by the Indian government on the export of some types of rice**.