

## ANALYSIS

# Food prices set to rise 50% since the start of cost-of-living crisis

## What's happened to food prices?

UK food prices have risen sharply in recent years. Food price inflation peaked at 19.1% in early 2023, its highest level in 45 years<sup>i</sup>, and although it has fallen remains elevated. From July 2021 - the eve of the cost-of-living crisis - to March 2026, average food prices increased by 43%. Average wages have increased too, up 28% on average to February 2026. As a result, rising food costs have cut into living standards.

The result is that a healthy diet is now unaffordable for a large share of the population. For example, analysis by the Food Foundation in collaboration with academics from the University of Oxford and the London School of Hygiene & Tropical Medicine (2025) estimates that households with children in the lowest 20% of the income distribution would need to spend 70% of their income (after accounting for housing) to afford a healthy diet<sup>ii</sup>.

Several staple foods have experienced particularly steep price rises, including pasta (+50%), frozen vegetables (+55%), chocolate (+58%), eggs (+59%), beef (+64%) and olive oil (+113%), reflecting their sensitivity to volatile oil and gas prices, synthetic fertiliser costs, and climate impacts such as droughts, floods, and heatwaves, both in the UK and in key import regions.

Together, these forces pushed household food bills up by an average of £605 over 2022 and 2023, with energy shocks accounting for £244 of this<sup>iii</sup>. More recently, five climate-impacted foods - butter, milk, beef, chocolate and coffee - have been responsible for much of the continued pressure on food inflation, with the price of these foods rising over four times faster than other food and drink<sup>iv</sup>.

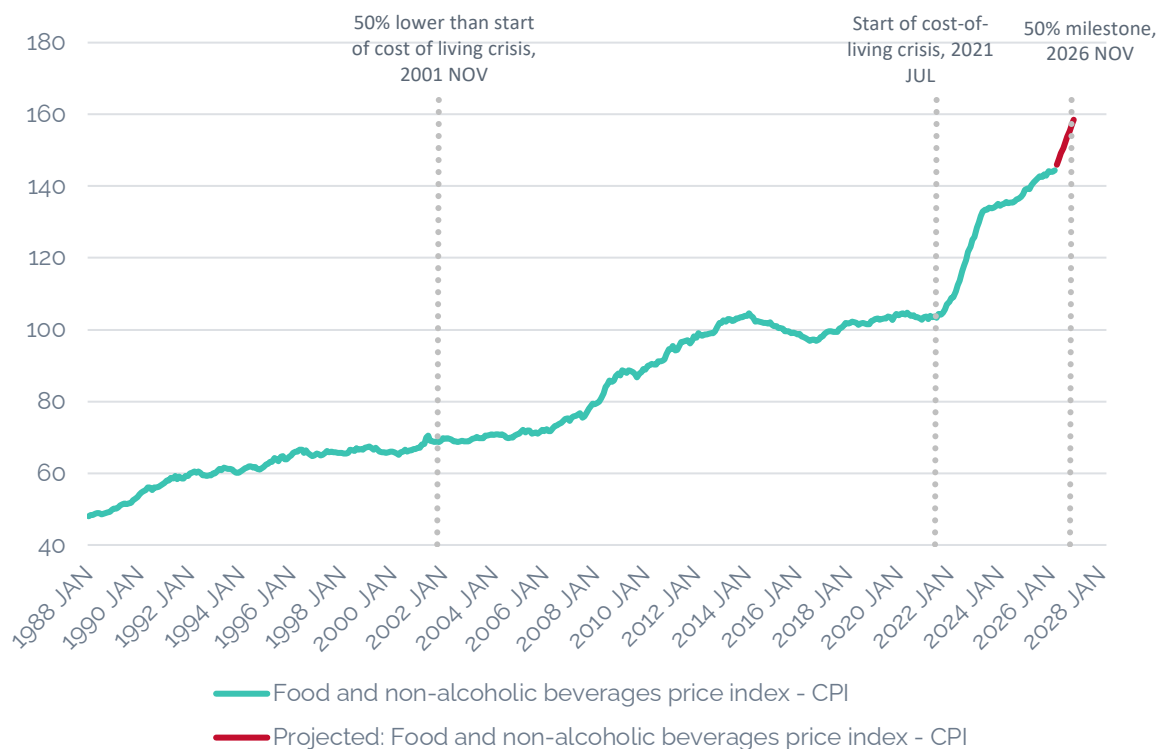
## A grim milestone

The US-Israel war on Iran has driven up energy, fertiliser and shipping costs, increasing the likelihood of further food price rises in the months ahead. In response to these pressures, the Food and Drink Federation has recently revised its outlook, projecting that food inflation could reach 9–10% by December 2026<sup>v</sup>. The Institute for Grocery

Distributors (IGD) has made similar forecasts<sup>vi</sup>. Since these forecasts were published, oil and gas prices have climbed to new highs, suggesting that the realisation of higher end estimates for food inflation is more likely.

Using this forecast, the ECIU has estimated the likely trajectory of food prices over the remainder of 2026. Our analysis indicates that the current oil price shock could push food prices up **50% higher than levels seen on the eve of the cost-of-living crisis**. We anticipate that this grim milestone will be reached by November 2026. This means that in just five years and four months food prices will have increased by 50% - an increase in prices which previously took 19 years and eight months, almost quadrupling the pace of food inflation.

## Food prices are expected to climb by 50% by November 2026



Food inflation hitting 10% in December would add significantly to headline inflation – pushing up overall inflation by 1.0 percentage points for the richest 20% of households and 1.4 percentage points for the poorest quintile. As poorer households spend a larger share of their income on food, rising prices translate into a much bigger effective reduction in living standards for those on the lowest incomes, hitting them 50% harder<sup>vii</sup>.

The projected 50% increase means that many households will continue to feel the strain well beyond the initial phase of the crisis, with food remaining one of the most visible and unavoidable expenses. Polling and focus groups, including work by the Joseph Rowntree

Foundation (2025)<sup>viii</sup>, repeatedly show that living standards, the cost of living and economic security remain among the most politically salient issues for UK voters.

Adjusting for average wages, food prices have risen by 11% since the start of the cost-of-living crisis to February 2026, compounding the wage-adjusted rises seen in other largely unavoidable household costs such as energy (+32%), water (+25%), and insurance (+18%), among other things. As households can't easily cut these costs, they intensify the squeeze on disposable incomes, leaving food spending as one of the few areas where people can try to cut back. This helps to explain why food price rises are felt so acutely.

## Method note

The analysis models cumulative food price increases using official Consumer Prices Index (CPI) data published by the Office for National Statistics (ONS). Forward projections are estimated by linearly interpolating between the latest observed CPI food price index and the Food and Drink Federation's forecast that food inflation will reach 9–10% by the end of the year. For the purposes of this modelling, inflation is assumed to reach the upper end of this range (10%) by December.

The baseline for the "cost-of-living crisis" is defined as July 2021, prior to the sharp acceleration in food price inflation driven by rising energy costs and global supply-side disruptions.

Where wage-adjusted figures are presented, these are based on average wages measured using the ONS Total Weekly Earnings series. The latest available data are for February 2026. These figures were cross-checked against Regular Weekly Earnings growth, which has been slightly weaker over the same period (27.5%), compared with the 28% growth recorded in Total Weekly Earnings between July 2021 and February 2026.

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<sup>i</sup> Likely it's highest level since 1977 or 1975:

<https://www.ons.gov.uk/economy/inflationandpriceindices/articles/consumerpriceinflationhistoricalestimatesandrecenttrendsuk/1950to2022>

<sup>ii</sup> Food Foundation, The Broken Plate (2025): [https://foodfoundation.org.uk/sites/default/files/2025-01/TFF\\_The%20Broken%20Plate%202005%20FINAL%20DIGITAL.pdf](https://foodfoundation.org.uk/sites/default/files/2025-01/TFF_The%20Broken%20Plate%202005%20FINAL%20DIGITAL.pdf)

<sup>iii</sup> ECIU, Families hit by £605 food bill as extreme weather and energy crisis bites (2023): <https://eciu.net/media/press-releases/2023/families-hit-by-605-food-bill-as-extreme-weather-and-energy-crisis-bites>

<sup>iv</sup> ECIU, Why food prices are still rising: butter, beef and milk to blame (2025): <https://eciu.net/media/press-releases/2025/why-food-prices-are-still-rising-butter-beef-and-milk-to-blame>

<sup>v</sup> FDF revises food inflation forecast to at least 9% by the end of 2026 <https://www.fdf.org.uk/fdf/news-media/press-releases/2026/fdf-revises-food-inflation-forecast-to-at-least-9-by-the-end-of-2026/>

<sup>vi</sup> <https://www.igd.com/social-impact/economics/articles/food-inflation-forecasts-revised-amid-middle-east-conflict/72805> Institute for Grocery Distributors, Food inflation forecasts revised amid

Middle East conflict (2026): <https://www.igd.com/social-impact/economics/articles/food-inflation-forecasts-revised-amid-middle-east-conflict/72805>

<sup>vii</sup> ECIU analysis indicates that food price inflation hits the bottom fifth of households 50% harder than the richest fifth, meaning food inflation widens inequalities. Link to analysis: <https://eciu.net/media/press-releases/food-inflation-from-iran-war-could-hit-poorer-households-50-harder-than-richest>

<sup>viii</sup> Joseph Rowntree Foundation, Voters blame politicians for cost-of-living crisis (2025)  
<https://www.jrf.org.uk/public-attitudes/voters-blame-politicians-for-cost-of-living-crisis>