

## UK Food Inflation Forecast to Reach 6% by Year-End, Retailers Warn

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Food inflation in the United Kingdom is expected to rise to 6% by the end of 2025, posing a significant strain on household budgets during the lead-up to Christmas, according to the British Retail Consortium (BRC). The warning follows a new survey indicating widespread concern among retail finance leaders about rising operational costs and the potential impact of upcoming government fiscal policy.

Currently, food inflation stands at 4%, but the BRC forecasts a continued upward trajectory, with prices anticipated to be 6% higher year-on-year by December. The increase is attributed to a combination of factors, including the ongoing cost pressures facing businesses and uncertainty surrounding the next fiscal statement from the Chancellor of the Exchequer.

According to the BRC's survey, which gathered responses from finance chiefs representing over 9,000 retail outlets, 56% reported a pessimistic outlook for trading conditions over the next twelve months. In addition, two-thirds of respondents expect further price rises should the government opt to increase business taxes in its forthcoming budget.

The BRC commented, "This will pose significant challenges to household budgets, particularly in the run-up to Christmas," highlighting the potential economic strain on consumers as living costs continue to climb.

Charities across the country are already seeing the effects on families, particularly as schools close for the six-week summer holidays. In Penrith, The Salvation Army has launched a free meal initiative aimed at school-age children under 16. Meals are being offered weekly on Tuesdays at the church and community centre on Hunter Lane.

Major Carole Donaldson, church leader at The Salvation Army in Penrith, noted, "Many families face tough financial choices once the schools break up for summer, and some have the worry of finding the extra money to feed their children every day." She added that the lunch club seeks to ease that burden, ensuring children receive a nutritious meal without further cost to struggling households.

Similarly, North Lakes Foodbank continues its LunchPack Scheme, launched in 2015, which provides meal support during school holidays to help compensate for the absence of free school meals.

As economic pressures mount and the cost of living continues to rise, especially in the food sector, both industry leaders and local charities are drawing attention to the urgent need for policy decisions that balance public revenue with the realities faced by British households.