NAVIGATE INSIGHTS • NO. 03 • NOVEMBER 2026

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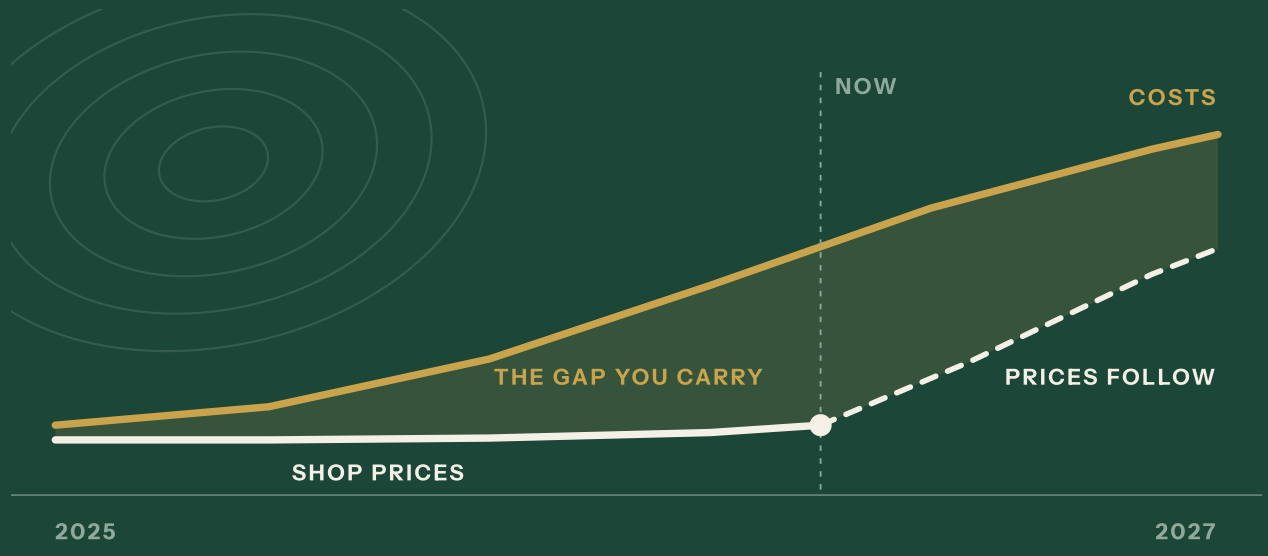
Costs are rising. Prices will follow.

Energy and fuel are pushing manufacturing costs up while shop food prices stay flat. Forecasters expect food prices to rise through 2027. This guide covers how to prepare for the next price round.



Illustration, not to scale: costs rise first and prices follow later

6.4%

food inflation forecast for July 2027, up from 0.9% today. Another round of price talks is coming.

FDF forecast, September 2026; ONS, October 2026

INSIDE

2 The gap between costs and prices
3 The food inflation forecast to 2027
4 Lessons from the last round
5 Five actions and an evidence pack checklist

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Strategic consultancy for UK food and drink

Costs rising, shop prices flat

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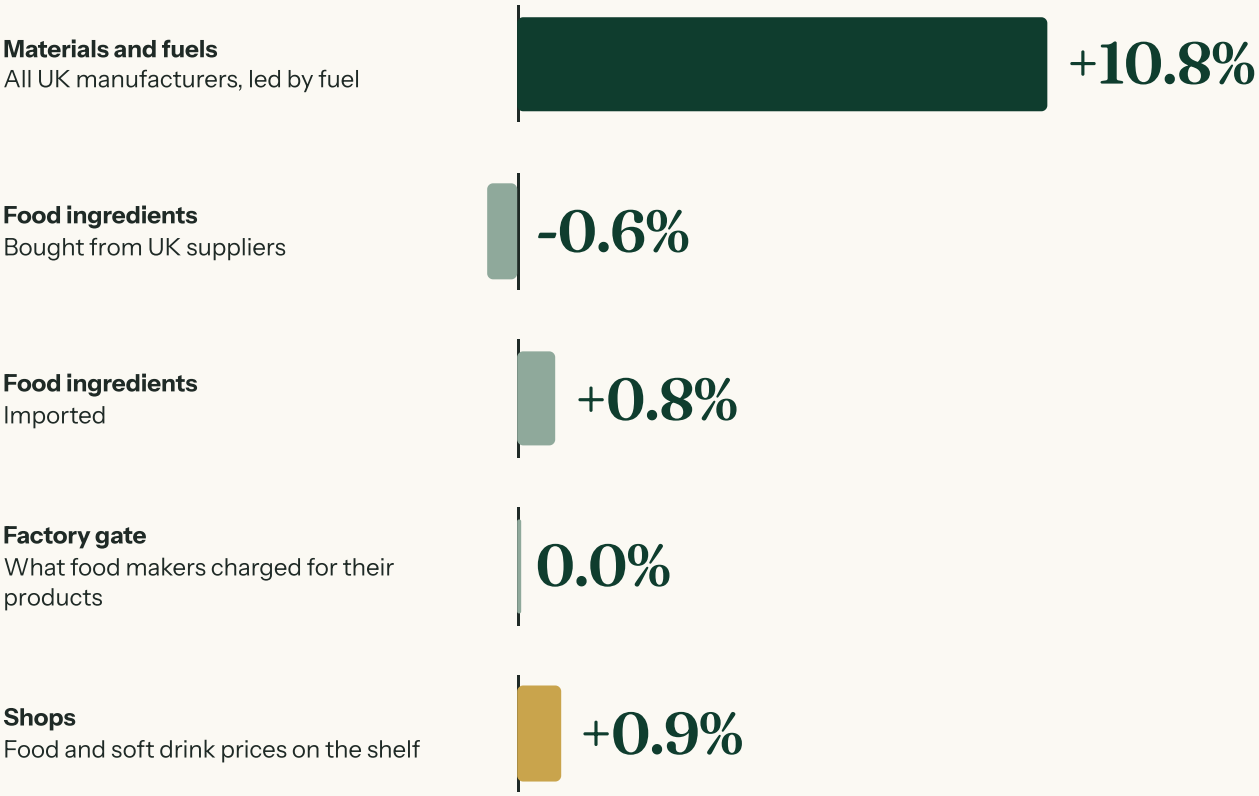
The pressure has moved. Food ingredient prices are broadly flat. Energy, fuel and anything made from oil, including film and plastics, are rising fast.

PRICE CHANGE IN THE YEAR TO OCTOBER 2026

ONS, PUBLISHED 18 NOV 2026



The cost figure covers all UK manufacturers. Ingredient and factory-gate figures are for food.

+88.4%

Rise in the price of crude oil bought by UK manufacturers

ONS, year to Oct 2026

2×

Gas prices have more than doubled from February 2026 levels

FDF, September 2026

0.9%

Shop food inflation: the lowest since September 2021

ONS, October 2026

While costs rise faster than prices, the manufacturer carries the difference.

Lower cocoa and chocolate prices helped pull shop food inflation down in October. If energy and fuel costs keep rising, that will not hold.

WHAT'S COMING

Prices will follow, later

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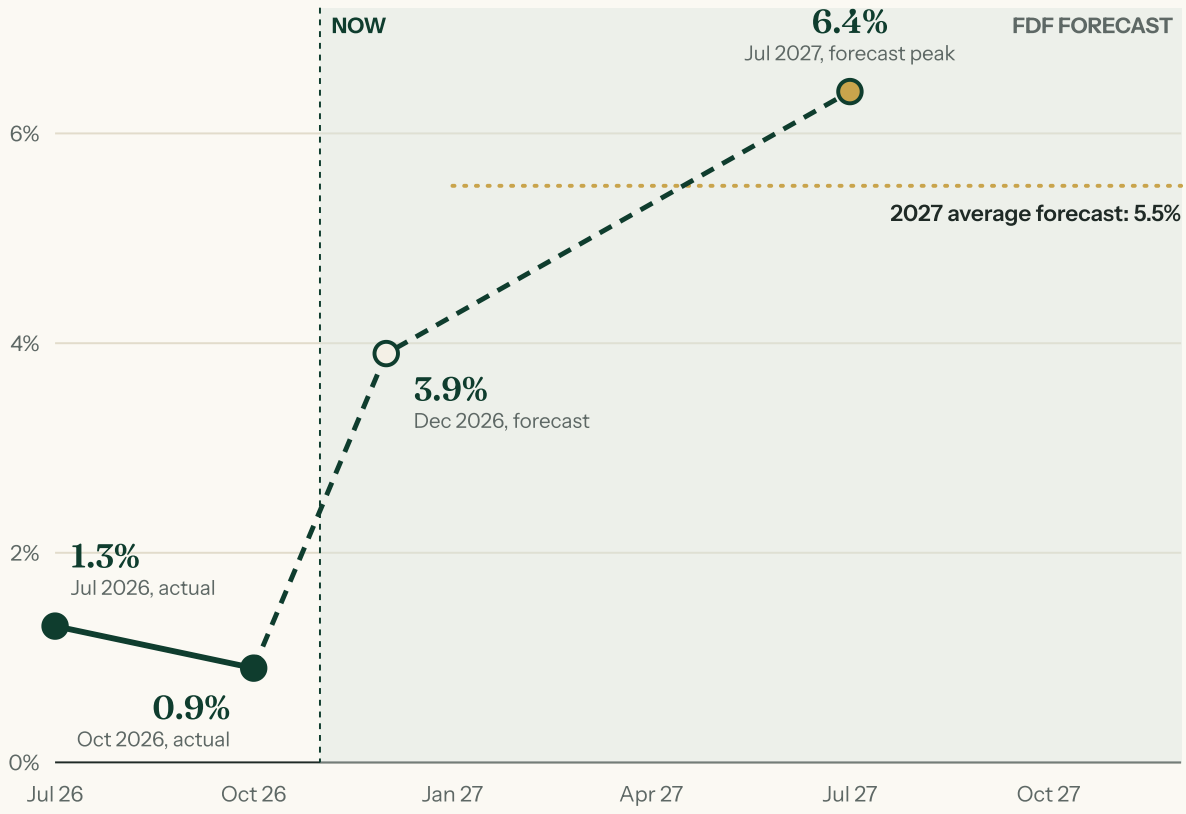
Cost increases take months to reach the shelf. The FDF expects food inflation to rise through 2027, which means another round of price negotiations.

UK FOOD INFLATION: WHERE IT'S BEEN, AND WHERE IT'S FORECAST TO GO

ANNUAL RATE



Actual: ONS consumer prices (food and non-alcoholic drinks), via FDF for July 2026. Forecast: FDF, UK food inflation forecast 2026 to 2027, September 2026.

THE EARLY SIGNAL

2.9% Shop food inflation

3.2% Tins and packets

The BRC's shop price survey for early October already shows food prices picking up, led by ambient groceries.

BRC-NielsenIQ Shop Price Monitor, 1 to 7 October 2026. It measures shop prices differently from ONS.

WHO CARRIES THE GAP

2 in 3

manufacturers have absorbed recent cost rises rather than pass them on.

FDF State of Industry, Q2 2026

LESSONS

What the last round taught us

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We have both managed periods of high inflation inside food businesses, buying from suppliers and selling to retailers. The businesses that came through best did three things.

1

Know what is driving your costs

Product by product: ingredients, packaging, energy, labour and freight. You cannot defend a price you cannot explain.

2

Go to customers early

Bring evidence, not a headline percentage: cost movements, official indices and the notice your contract allows.

3

Cut your own costs first

So the increase you ask for is the smallest you need, and the buyer can see what you have already done.

FIND YOUR EXPOSURE: WHAT'S IN A PRODUCT'S COST?

Split each of your main products into its cost parts, then mark the ones tied to oil and gas. Those are where the next rises will come from, and where your evidence needs to be strongest.



Linked to oil and gas: film and plastics, energy, freight and fuel surcharges

Illustration: your own split will differ.

The first price rise to land is usually the one that was best prepared.

Every month a justified increase is delayed comes straight out of margin.

WHAT TO DO

Get ready for the next price round

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THIS MONTH: FIVE ACTIONS

1 Know your cost build

For your top products, split cost into ingredients, packaging, energy, labour and freight.

2 Find your exposure to oil and gas

List costs linked to energy and fuel: your own energy, film and plastics, freight and fuel surcharges. Note when each contract renews.

3 Check your contracts

Which customer agreements let you review prices, how often and on what notice? Which supplier contracts let them raise prices on you?

4 Build the evidence now

Prepare the case for each customer before you need it: cost movements, official indices and what you've done to hold costs down. The checklist on the right shows what to include.

5 Model the lag

Work out what a three- or six-month delay before a price rise lands would cost, and plan cash for it.

Price-rise evidence pack

Six things a retail buyer will want to see. Tick off what you have.

- [ ] How each main cost has moved, in pounds and per cent
- [ ] Official indices that back it up (ONS producer prices)
- [ ] What you've done to hold your own costs down
- [ ] The notice and review terms in your agreement
- [ ] The smallest increase you need, and when
- [ ] What happens to supply or range if it doesn't land

WHERE TO FIND THE INDICES

ONS producer price inflation, published monthly. Next release: 16 December 2026.

WHY STARTING NOW MATTERS

Every step takes time. Your costs are rising throughout.



SOURCES (opened 20 November 2026): ONS, Producer price inflation, UK: October 2026 and Consumer price inflation, UK: October 2026, both 18 Nov 2026 (ons.gov.uk); FDF, UK food inflation forecast 2026 to 2027, 9 Sept 2026, and State of Industry Report Q2 2026 (fdf.org.uk); BRC, Shop Price Monitor press release, 27 Oct 2026 (brc.org.uk). Contains public sector information licensed under the Open Government Licence v3.0.

GET IN TOUCH

Talk to us. The first call is free.

Tom Baker and Amanda Wright founded Navigate in 2026 to help food and drink businesses improve, grow and succeed, using what they learned in 50 years of running them. If this guide sounds like your business, book a call.

FIRST CALL, FREE

An hour on Teams about your pressures and plans. We will tell you plainly whether we can help.

AN HONEST VIEW

Whether we can help, or more scoping, still free, if it isn't clear yet. We work from the data you already have.

THE WAY THAT FITS

Fixed fee, shared savings or a monthly retainer: we agree the way of working that suits you best.

Amanda Wright

CO-FOUNDER & COO

Hands-on food and drink director with 25 years across procurement, supply chain and operations, most recently at board level, managing up to £300m of direct spend.

Tom Baker

CO-FOUNDER & CFO

Board-level finance and strategy director with 25 years in food and drink. Turnarounds, acquisitions and investments delivered across the UK and Ireland, Asia, Africa and the Middle East.

WHAT YOU CAN EXPECT

- You work directly with both of us, with no hand-offs or junior teams.
- Actions your team can own, not a report that sits on a shelf.
- We tell you what we find, including what you may not want to hear.

Our success is linked to yours.

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