***UK Food Prices: bubbling or cooling?***

**UK food prices and living standards squeeze is set to continue**

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A new paper published today warns the Government and consumers not to be complacent about falling food prices. [*UK Food Prices: bubbling or cooling?*](http://foodresearch.org.uk/uk-food-prices-cooling-or-bubbling/) says UK food prices will continue to put pressure on policy-makers and food companies and that structural tensions in the food system are unlikely to be resolved.

The authors, Tim Lang, Professor of Food Policy at [City University London](http://www.city.ac.uk/) and Dr Victoria Schoen, agricultural economist at the [Food Research Collaboration](http://foodresearch.org.uk/), say policy-makers would be unwise to park the food price issue.

Only this month, a [Food Standards Agency publication](http://multimedia.food.gov.uk/multimedia/pdfs/science-research/tracker-may2014.pdf) showed a high proportion of survey respondents are still concerned about food prices, as reflected by the increase in market share by discount stores and the recent sacking of Philip Clarke, CEO at Tesco.

“The recent stabilisation of food prices should not be taken as evidence that the crisis is over,” says Professor Lang. “When oil and food commodity prices rocketed in 2007-08, most analysts argued that this would follow the spike pattern of the 1970s oil crisis. Prices would go up, then resume their long-term downward trajectory. They were wrong. Instead food prices have been volatile internationally and gradually risen here in the UK, adding to economic uncertainties. Indeed, because UK food production has slowly been declining and it produces relatively little of its own food, it is sensitive to world food prices and thus volatility in financial markets”

The paper cites the UK Government’s own figures that show UK food prices have risen by 12% in real terms since 2007, returning the cost of food relative to other goods to that of the 1990s. “What matters is not just food prices relative to other consumer expenditure but food prices within living standards. Not everyone, particularly those on a low income, are able to afford a desirable and healthy diet and UK consumers are paying the true cost of poor diets in healthcare and damage to eco-systems from the food system. This tension will shape future UK food politics,” say the authors.

UK food prices are low compared to prices in developing countries, but above the average for other developed countries, says the report. In a table of 28 EU states listing the cheapest food prices, the UK comes equal 14th with Austria.

However, UK consumers spend relatively little on food as a proportion of their total income, the report found. While UK food prices are only average internationally, UK households spend the 2nd lowest percentage of their income on food when compared to other EU states. This could suggest UK consumers are not valuing the importance of food highly enough, say the authors.

Dr Schoen says, “Whereas general household expenditure has increased by 97% over the period 1997 to 2013, expenditure on food has grown by 78% reducing its share in overall household spending from 10% in 1997 to 8.5% in 2007, before reaching 9.3% in 2013. Evidence suggests UK consumers are paying for poor diets in healthcare and damage to the environment from the food system.”

The full report can be downloaded [here](http://foodresearch.org.uk/uk-food-prices-cooling-or-bubbling/)

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NOTES TO EDITORS

**About City University London**

City University London is a global University committed to academic excellence, with a focus on business and the professions and an enviable central London location.  It is in the top five per cent of universities in the world according to the *Times Higher Education World University Rankings 2013/14*. It is ranked in the top 10 in the UK for both graduate-level jobs *(The Good University Guide 2014)*and in the top 5 for graduate starting salaries (*Lloyds Bank*).

The University attracts over 17,000 students (35% at postgraduate level) from more than 150 countries and academic staff from over 50 countries. More than 130,000 former students from over 180 countries are members of the City Alumni Network. Its academic range is broadly-based with world leading strengths in business; law; health sciences; engineering; mathematical sciences; informatics; social sciences; and the arts including journalism and music.

**About the Food Research Collaboration**

The Food Research Collaboration (FRC) is, as the name implies, a project to facilitate joint working by academics and Civil Society Organisations (CSOs) to improve the UK food system.

FRC works with academics across disciplines and with civil CSOs across sectors to:

         Encourage research that meets civil society needs

         Share food evidence and thinking to improve coherence and “voice”

         Encourage longer-lasting collaborations between and within academic departments and civil society organisations

**About the authors**

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