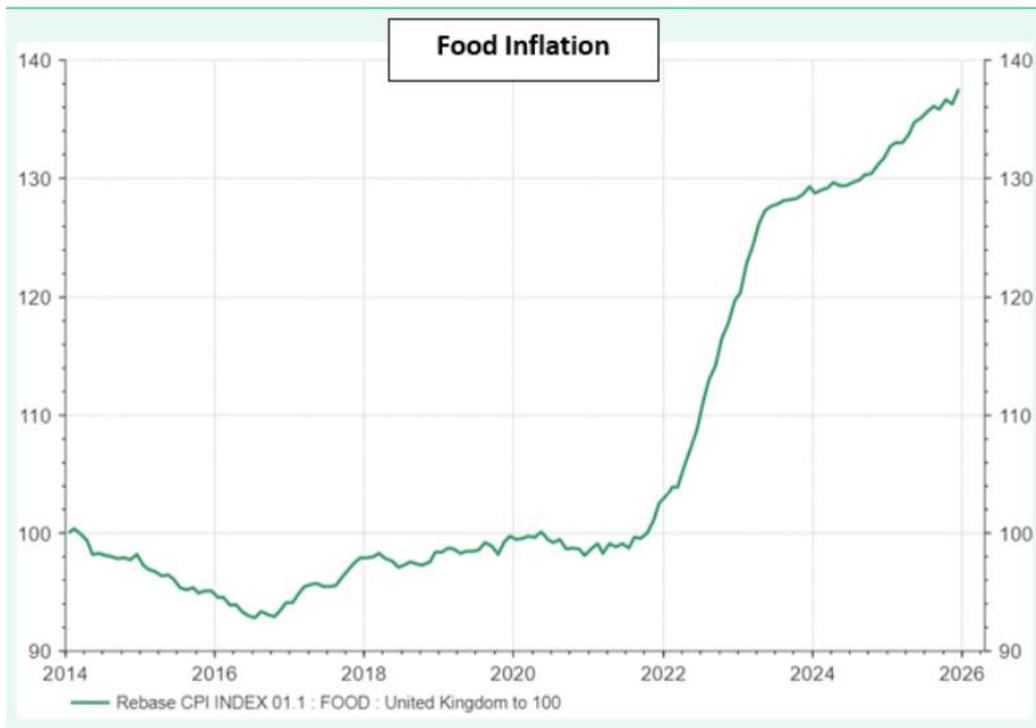




Insights on Inflation: The Price of Food

Cartwright have a strategic partnership with Collidr, a specialist investment firm who help us to curate and maintain a 'buy-list' of funds for our clients.

The information below is from Collidr and we wanted to share it with you as this example shines a light on how painful real inflation is for the finances of the general public and how strained the financial system is (high national debt levels often lead to more inflation in future). Inflation continues to weigh on consumers and the market, as illustrated by the price of food in the chart below:



Source: LSEG Datastream



Key points:

- Economists inhabit a strange, unreal world. When they talk about inflation, they refer to the difference in prices when compared to a year ago. Yet, nobody else thinks like that.
- When you go to the supermarket or the petrol station, you don't stand there thinking about where the price was a year ago. It's usually more about the last time you went, or your expectation of what you regard as 'normal'.
- Economists might declare the 'cost of living crisis' is over because wages are rising faster than inflation, hence 'real wage growth'. But no politician would be so insane as to repeat or say that to the general public
- The supermarket shop is a prime example of this. UK Food CPI is running at 4.4%. For several years, food prices were fairly stable. Year in, year out, the weekly shop at your grocer was relatively consistent. To a large degree, this became your muscle memory, your anchor price, your expectation of what is, or at least was, normal.
- Then in 2022, prices rose dramatically, and even economists would agree on that. And whilst the current food inflation may sound modest overall, it's still 4% on top of already elevated prices. Don't forget that for a lot of people, 'falling inflation' means falling prices!
- In the real world, spending £100 at the supermarket has now become more like £143, and it's rising every month.
- So, economists and politicians should remind that when they start telling shoppers that 'inflation is falling'.

Higher food prices today are a natural consequence of the money created in response to the Covid pandemic. With a large and growing debt burden, printing new money to pay old debts could be on the horizon, with a knock on impact at the tills. In this environment, investors will be looking for 'hard' assets – those that have a good chance of holding value when currencies de-value – such as gold, land and bitcoin.

Sources:

Collidr, Bloomberg. Indices: Barclays, FTSE, Bloomberg, STOXX, Japan

Exchange Group, MSCI, S&P, New York Mercantile Exchange, Chicago Mercantile

Exchange, Bureau of Labour Statistics, US and Office for National Statistics, UK.

Timeframe:

January 2014 to December 2025

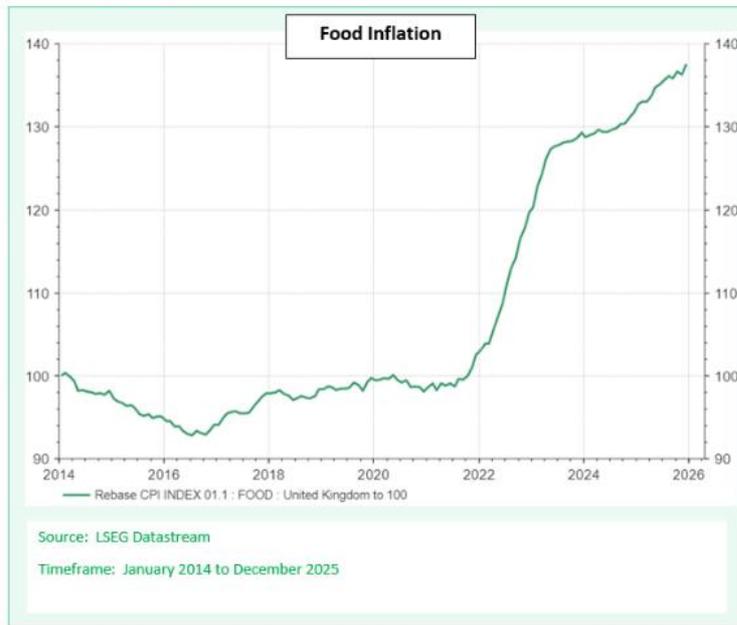


COLLIDR CHARTS

Money's too tight to mention



16 February 2026 // For Professional Use Only



Food inflation is real for consumers.

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Source: LSEG Datastream

If you would like to discuss any of these matters further, please get in touch with your usual contact at Cartwright.

February 2025

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