NIQ
Perspectives
Fresh, Pantry & Naturals

March 30, 2026

Cost Pressures:
How Gas Prices Show Up On the Grocery Shelf During Conflict

Background:

Oil and gas prices are expected to increase as a result of the conflict involving the US, Israel, and Iran, which is leading to supply constraints.

These insights aim to evaluate gas's effect on grocery prices and consumer demand by looking at historical trends related to rising gas prices, similar to impacts seen at the beginning of the Russia-Ukraine conflict.

Additional factors to consider:

- The overall economic impact on both US and global markets.
- The shortages in 2022 came after the COVID-19 pandemic; now that production capacity has been restored, these issues should ease unless international conflicts disrupt trade again.
- Unemployment has recently gone up, partly due to significant workplace changes brought about by AI, affecting white-collar workers who were less impacted during COVID-19.
- Tariffs are evolving following the February 20th, 2026 Supreme Court decision, as the government reviews alternative routes.

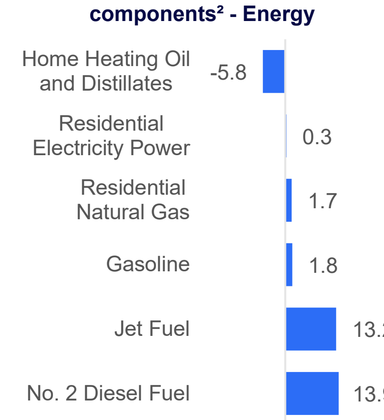
Implications for the Food & Beverage Industry

Recent US actions in Middle East have caused a spike in gas prices

In February, the Producer Price Index for Diesel Fuel and Jet Fuel rose 13.9% and 13.2% respectively, leaving consumers wondering how quickly they will foot the bill at grocery stores.

US Regular All Formulations Gas Price[1]

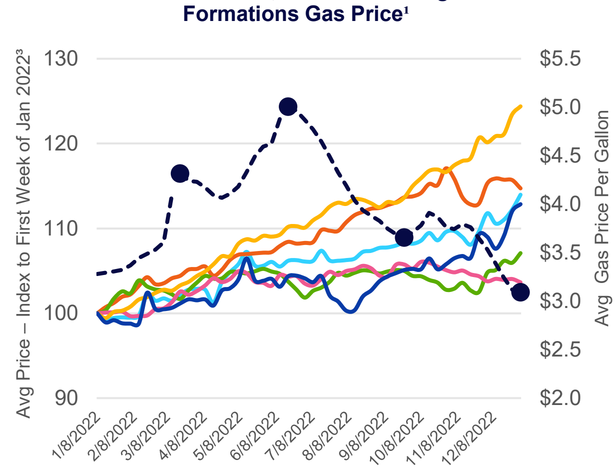
PPI for final demand components[2] - Energy



Prices steady early in Ukraine conflict, but increased for months following

In March 2022, at the beginning of the Russia-Ukraine conflict, prices were up +2% vs January 1st 2022, led by Grocery. Three months later, gas prices had risen to a peak $5/gallon, and Total Store indices grew to 6%. Even as gas prices declined, grocery prices felt after-effects, rising +14% by the end of the year, led by Dairy +24%.

Price index to Jan 1, 2022[3] vs US Regular All Formations Gas Price[1]



Price index for key dates[3]	3/19	6/18	9/24	12/31
TTL STORE	**102**	**106**	**108**	**114**
DAIRY	103	110	114	124
GROCERY	104	108	114	115
REM. STORE	101	104	105	113
PRODUCE	102	104	105	107
MEAT	103	104	106	104
- - US Regular All Formulations Gas Price	$4.32	$5.00	$3.65	$3.00

Sources: [1]U.S. Energy Information Administration, US Regular All Formulations Gas Price, March 18, 2026. [2]U.S Bureau of Labor Statistics. Producer Price Index February 2026, [3]NielsenIQ Discover RMS, Total US Full View (Modeled) + Conv, Avg Price indexed to W/E 01/08/22

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The market is shifting fast. Your decisions should move faster.

NIQ can help.

Forecasting

Anticipate demand and scenario plan with precision.

Event Planning

Identify trade inefficiencies and promotion impacts to control spend.

Consumer Outlook

Segment and score your consumer risk around shopper adaptability.

Assortment & Pricing Optimization

Prepare pricing and SKU rationalization plans by retailer.

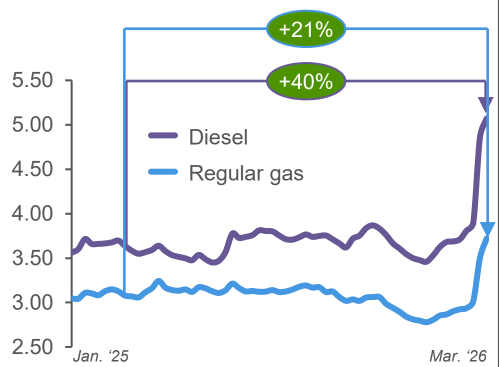
Activation & Measurement

Review planned activations to optimize return and efficiency.

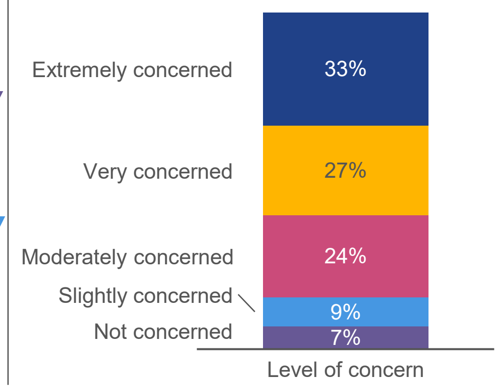
Gas prices squeeze the household budget

Every dollar spent at the pump is a dollar pulled from the basket. Higher gas prices squeeze discretionary flexibility, forcing consumers to cut back on impulse and indulgence while becoming more deliberate about where and how they shop. In that environment, eCommerce wins by design; reducing travel, limiting friction, and giving shoppers tighter control over spending.

U.S. Energy Information Administration Fuel Price Trend[1]



Level of Concern about Increasing Gas Prices[2]



Taking price could be a risky proposition without foresight

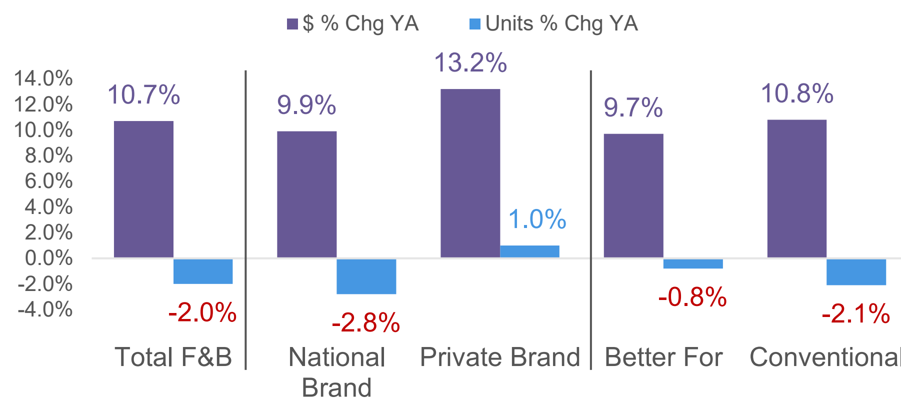
With prices up 12% and consumer price sensitivity rising 15% since the start of the Russian-Ukraine conflict, the margin for additional increases has narrowed sharply, making accurate forecasting more critical than ever. While input costs continue to climb, further pricing actions risk amplifying consumer pushback in a hyper-responsive market, accelerating unit erosion and weakening brand trust rather than protecting margins.

	Avg EQ Price[3] Q2 2022		Avg EQ Price[3] Q4 2025	Price Sensitivity[4] Q2 2022		Price Sensitivity[4] Q4 2025
Total Store	$0.71	+12%	$0.80	-1.10	+15%	-1.26
Dairy	$1.91	+12%	$2.15	-1.13	+26%	-1.42
Grocery	$1.93	+18%	$2.28	-1.13	+19%	-1.35
Meat	$4.50	+6%	$4.76	-1.13	+19%	-1.34
Produce	$1.84	+5%	$1.94	-1.04	-3%	-1.01

The 2022 price increases reshaped demand, and masked risk

The 2022 price increases reshaped demand. Consumers traded into Private Label, while National Brands saw ongoing volume declines. "Better For" items proved more resilient, with smaller unit losses than Conventional. While pricing supported dollar sales, unit trends revealed underlying demand fragility. If the Iran conflict becomes prolonged, we anticipate similar demand shifts, raising the risk that topline growth masks accelerating unit erosion.

Mar-Dec '22 Total Food & Bev Growth[5]



Looking for more?

Rising gas prices and geopolitical instability often signal broader grocery inflation, tightening household budgets and pushing consumers toward more deliberate, value-driven decisions. Shoppers now enter these moments with memory and context, where lessons from COVID-era shortages and fuel-driven price shocks have reshaped behavior, reinforcing planning, preparedness, and reduced impulse. As new instability introduces fresh price pressure, retailers and manufacturers alike must respond with clarity, discipline, and a clearly articulated value strategy. Strong collaboration, simplified choices, and well-justified price points will be critical to meeting the needs of a more cautious consumer and sustaining growth through prolonged uncertainty.

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Sources: [1]U.S. Energy Information Administration (EIA). Gasoline and Diesel Fuel Update. U.S. Department of Energy. https://www.eia.gov/petroleum/gasdiesel/, Accessed 3/18/2026; [2]NIQ, BASES Quick Question Omnibus Survey, n=2,024, March 2026; [3]NielsenIQ Discover RMS, Total US Full View (Modeled) + Conv, 13 week data; [4]NielsenIQ | PnP Core Models, Regular Price Elasticity by Department for Total US xAOC, [5]NielsenIQ Discover RMS, Total US xAOC + Conv, March 2022-Dec 2022

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