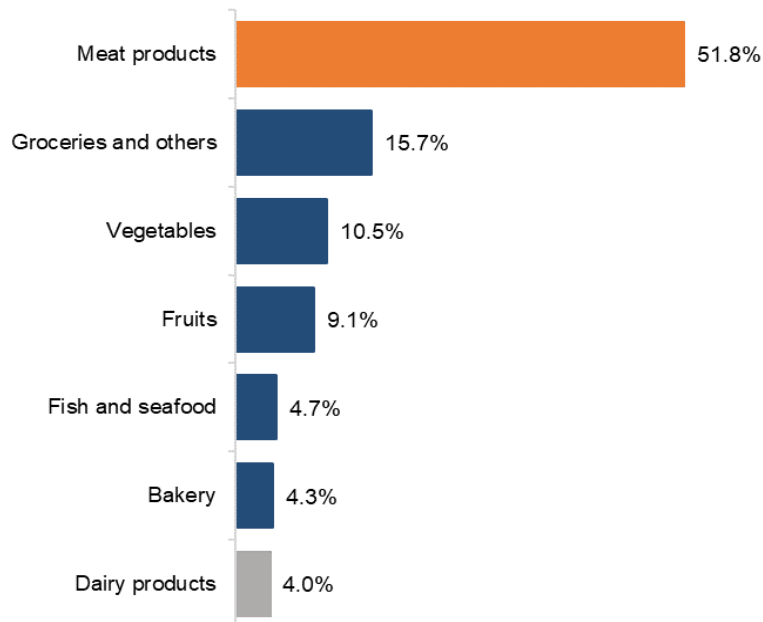


More than 2 Canadians in 5 have changed their behaviour to save money at the grocery store compared to 2020.

Halifax, September 29, 2021— Food inflation has been a source of concern for many Canadian consumers for a while in Canada. Based on our observations, the food inflation rate in Canada is close to 5%. Many staples including meat, dairy, and groceries have increased in recent months due to macroeconomic shocks, caused by both unfavourable weather patterns in the Northern Hemisphere and logistical challenges due to the global pandemic. Our latest investigation, in partnership with **Caddle**, looks at how consumers are coping with higher food prices at retail. More than 10,000 Canadians were surveyed in the Fall 2021 about food prices, how they see prices, and what they are doing to cope with higher food bills.

Most Canadians have noticed higher food prices. A total of 86% Canadians believe food prices are higher than 6 months ago, however, some generational differences are noteworthy. While 93% of **Boomers** believe food prices are higher than 6 months ago, 89% of **Gen Xers** think the same. Fewer **Millennials** (79%) and **Gen Zs** (68%) believe food prices are much higher than 6 months ago. Based on these results, **Boomers** appear to have noticed rising food prices more so than other generations.

In your view, what is the ONE food category which has increased the MOST in the last 6 months?



Meat is the category that most Canadians have noticed a difference in prices over the last 6 months. According to Statistics Canada, meat prices have increased by about 10% in 6 months. **Fruits** ranked second, and **vegetables** third. When asked which is the one category which has increased the most, **meat** is by far the most popular option selected by Canadians, at 51.8%, followed by **groceries**, at 15.7%. According to Statistics Canada, Groceries have gone up in price by 8% to 10% in the last 6 months.

Vegetables and fruits are third and fourth. These results are interesting as fruits and vegetable have generally been cheaper in the last 6 months in Canada.

Purchase decisions have been impacted by higher prices. For example, a total of 49% of Canadians claim to have reduced their purchases of **meat products** in the last 6 months due to higher prices. **Alberta** (57%) is the province with the highest rate of consumers who have decided to reduce their meat purchases due to higher prices. Both **Quebec** and **Ontario** have the lowest rate, at 46%.

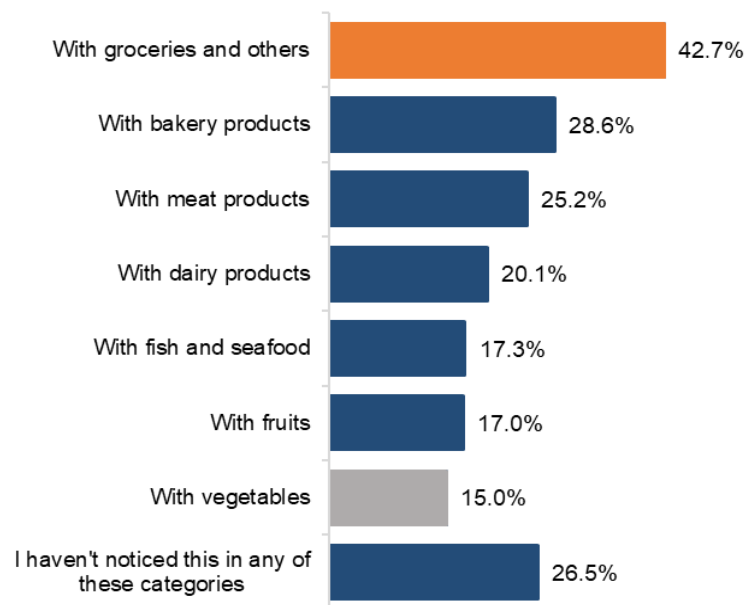
Many consumers are coping differently with higher foods prices. More consumers are now attracted to **private labels**, also known as house brands. A total of 37.5% of Canadians are buying more private labels compared to last year. **Weekly flyers** and **coupons** are also becoming more popular with Canadians. A total of 41.6% of Canadians are reading weekly flyers (paper-based, or digital) more often than in 2020. As for coupons (or e-coupons), 39.5% of Canadians use them more often than in 2020.

| <i>Provinces</i> | <i>Using weekly flyers more often than in 2020</i> | <i>Using coupons more often than in 2020</i> | <i>Buying discounted food products with best before/expiry dates within a few days of purchase</i> |
|----------------------------------|--|--|--|
| Alberta | 43.6% | 42.1% (1) | 42.2% |
| Manitoba | 35.4% | 34.3% | 39.8% |
| Newfoundland and Labrador | 46.8% | 32.6% | 42.3% |
| Nova Scotia | 34.6% | 30.7% | 36.7% |
| Ontario | 41.2% | 37.3% | 36.5% |
| British Columbia | 41.6% | 39.5% | 39.5% |
| Quebec | 38.9% | 37.0% | 36.6% |
| New Brunswick | 41.9% | 37.4% | 46.5% (1) |
| Prince Edward Island | 42.4% | 34.0% | 36.4% |
| Saskatchewan | 47.0% (1) | 38.7% | 37.5% |

Discounted products in stores are also attracting more attention than in 2020. A total of 39.6% of Canadians are purchasing discounted products with **expiry / best before dates** within a few days of purchase more often than in 2020. A total of 26.9% of Canadians are buying products with the **“Enjoy tonight”** label more often than in 2020.

A minority of Canadians will use their **phones** or use a **calculator** when grocery shopping. Only 22.3% of Canadians will use their phones to check competitive pricing while shopping, and 12.1% will use a calculator regularly. On the other hand, 66.4% of Canadians claim to know exactly **how much they should be paying for food products** before entering the grocery store. Surprisingly, while only 44.6% stated that they follow a **planned budget** when grocery shopping, 26.9% claim they will occasionally plan a budget for their grocery shopping.

**Have you noticed a reduction in product size / volume / quantity for a similar price from 6 months ago in any of the following categories?
 (Please select all that apply)**



Finally, **“shrinkflation”**, a strategy often used by the food industry to sell products with less quantities or volume at the same price, has been noticed by most Canadians. Almost 3 out of 4 Canadians (73.5%) have noticed that some food products have shrunk, but prices have either remained the same or have gone up. Groceries is the one category where Canadians have noticed most “shrinkflation cases”, followed by bakery goods and meat products.

“We are aware that many consumers dislike such a strategy, believing it may be dishonest, especially right now”, said **Dr. Sylvain Charlebois**, Director of the Agri-Food Analytics Lab. “But on the flipside, from a food waste perspective, Canadians have historically bought too much food and have wasted a lot at home. Shrinkflation could be getting Canadians to waste less food at home.”

Download the preliminary results in English and French at <https://www.dal.ca/sites/agri-food.html>.

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Methodology: A representative survey of Canadians was conducted during Summer 2021, in partnership with Caddle. 10,005 Canadians participated in this survey.

Margin of Error: +/- 1.3%, 19 times out of 20. Any discrepancies in or between totals are due to rounding.

Research Ethics Certificate: No. 2021-0010

Disclosure: Funding for this survey was provided by **Caddle** and **Dalhousie University**.