# Loblaw Food Inflation Report

August 2026

## Canadians are finding new ways to manage the high cost of living

July's StatsCan CPI data brought some welcome news, with inflation for food purchased from stores slowing to 3.1% YoY, down from 3.9% in June. While this moderation is welcome, food cost pressures remain elevated as Canadians continue to face affordability challenges.

This ongoing pressure is affecting many aspects of how Canadians live and shop. In the grocery sector, given the many cost pressures affecting the food system – including weather, freight, supplier costs, currency fluctuations and tariff uncertainty – Loblaw is seeing clear signs that shoppers are making deliberate choices to stretch their budgets.

Customers are shifting to discount formats and leveraging promotions, private label and loyalty programs such as PC Optimum more often. Consumers are also trading down within categories – putting less organic produce in their baskets, for example.

These behaviours show that Canadians are using multiple methods to manage inflation and make household budgets go further. In turn, Loblaw continues to invest in value across its network to meet these evolving consumer habits.

### Something to Watch

The evolving Canada-U.S. trade negotiations have increased uncertainty around the potential impact of future tariffs. While the outcome remains unclear, additional trade measures could impact a wide variety of goods – including food – in the months ahead.

### Food inflation at-a-glance

| +3% | +3.1% |
|---|---|
| **Overall Inflation** YoY, July CPI | **Food From Stores** YoY, July CPI |

### Commodity Context

**Resin** 6.7%
**Crude Oil** 6.3%
**Beef** 5.1%

**Down This Month**

Resin and crude oil moved lower as energy markets stabilized and seasonal demand softened. Beef eased as buying patterns normalized ahead of holiday period. Crude oil markets remain sensitive and volatile.

**Wheat** 8.4%
**Coffee** 15.8%
**Cocoa** 29.0%

**Up This Month**

Wheat, coffee and cocoa all moved higher on renewed supply concerns, with weather, crop quality and export uncertainty continuing to influence global agricultural markets.

### How customers are achieving value

**Customers are shifting where they shop:** Loblaw No Frills and Maxi share is growing meaningfully, reflecting a continued shift towards hard discount stores and lower-cost shopping options.

**Customers are relying on deals:** Promotions are playing a bigger role in the weekly shop, with more customers actively planning purchases around flyers and special offers to maximize value.

**Customers are choosing value brands more often:** Private label brands like No Name continue to outperform national brands, as more customers seek lower-cost alternatives that still deliver quality and everyday value.

**Customers are cutting discretionary spend:** across the industry, fresh and centre-of-store are more resilient, while apparel, home, entertainment, OTC, cosmetics, eyewear and HBA are under more pressure.

**Customers are using points more actively:** customers are leaning on loyalty value to help manage costs; PC Optimum redemption dollars, for example, are up meaningfully this year.


### Supporting Canadian Food and Producers

More than 70% of the food Loblaw purchases is sourced from and/or prepared in Canada, representing billions invested in Canadian farmers, producers, processors and manufacturers.

Supporting Canadian suppliers strengthens food security, builds more resilient supply chains and helps deliver the quality, selection and value customers expect. It is not about buying Canadian at any cost. It is about making thoughtful sourcing choices that balance affordability, assortment, quality and cost for customers.