



# Food Inflation Report

April 2025

## Tariffs continue to threaten inflation and food pricing

Stats Canada reported that the Consumer Price Index (CPI) for March was up 2.3%, with food inflation higher again, up 3.2%. Tariffs continue to impact inflation, challenging key sectors and lowering consumer confidence. While the impact of Canada’s counter tariffs was minimal on food prices in March, as retailers sell through existing inventories higher prices will begin appearing on shelf.

## The impact of tariffs on “Made in Canada”

“Made in Canada” products are prominent throughout grocery stores, but consumers have reported some confusion about what that means. For a product to claim “Made in Canada” it means that the last substantial transformation or processing of the product occurred in Canada. This can include assembling or processing ingredients into a finished product, even if some of the ingredients were imported. Using a granola bar as an example, while manufactured here in Canada, often the chocolate chips and peanuts are imported from the U.S. Both of those ingredients are currently subject to a 25% tariff, partially impacting the price of the final product.

## When tariffs stack

While currently on pause, the tariffs the U.S. has threatened to impose on dozens of countries could indirectly impact food prices here in Canada. Coffee, already facing higher than normal prices due to a poor growing season, is one example. Many U.S. coffee producers import their beans from Vietnam (the second largest producer after Brazil), which could attract a 46% tariff. After roasting and packaging in the U.S., that finished product is sent to Canada, where an additional 25% tariff exists upon entry. As a result, every \$1 spent on coffee previously could conceptually cost as much as \$1.82 after tariffs.



## Our eggs are in more than one basket

The price of eggs in the U.S. has been in the headlines for several months and, while prices are starting to improve, they’re still up more than 60% since this time last year. In Canada, we’ve haven’t seen the same impact of the Avian Flu crisis, and prices have been much more stable for customers. However, Canada is a net importer of liquid eggs from the U.S., and that cost has increased substantially. Aside from liquid eggs in the egg aisle, the biggest impact will be seen in baked goods, like muffins, cakes and cookies.

## Commodity volatility continues

| Commodity      | YOY Change | QoQ Change |
|----------------|------------|------------|
| Pork Trim      | 25.3%      | 36.5%      |
| Chicken Breast | 25.0%      | 25.0%      |
| Beef Trim      | 10.7%      | 17.3%      |
| Olive Oil      | -46.9%     | -3.2%      |
| Coffee Robusta | 33.7%      | -4.2%      |
| Egg (US)       | 65.3%      | -19.0%     |
| Nut Index      | 32.7%      | 7.1%       |
| Coffee Arabica | 65.0%      | 6.6%       |

**Meat** – Pork prices have been rising with demand over the past few months. Chicken remains high after ongoing supply challenges and the beef herd is the smallest since the 1970s due to drought conditions and rising feed prices.

**Nuts** – Nut prices are rising due to a combination of factors, including increased global demand, changes in consumer preferences, and the impact of poor weather in major nut-producing regions. Almonds, Cashews, Walnuts, Pecans, Brazil Nuts collectively have a weighted average increase YOY of 32.7%

**Coffee** – Tight supplies from the 2024 harvest means continued volatility for coffee prices. Recent U.S. tariffs on coffee growing countries led to a minor sell off, then rebound when tariffs paused.