



Loblaw Food Inflation Report

February 2026

Elevated Food Inflation Persists in January 2026

Canada's CPI data for January was released on February 17. After a 2.4% increase in December, January's inflation number dropped slightly to 2.3% – a result that would have been 3.0%, if not for the impact of rapidly declining gas prices.

Inflation for *food purchased from stores* in January was 4.8%, slightly lower than the 5.0% result in December. By comparison, inflation for *food purchased from restaurants* was 12.3%. All results come as Canada laps the GST/HST break from the previous year. It's worth noting: Loblaw's internal inflation continues to run meaningfully below food CPI.

Underlying these results is the fact that the price of fresh fruit is easing, thanks to more stable harvests and lower costs for berries, oranges and melons. Commodity prices are also at play; while several commodities dropped, including cocoa (-55.9% YoY), crude oil (-25.7%), rice (-23.9%) and sugar (-23.6%), the rise in other items including beef (+11.0%) and soyabean oil (+10.6%) will temper the benefit.

Despite the falling cost of some key commodities, Loblaw is seeing unjustified cost increases from many of its large, global suppliers. So far this year, more than two-thirds of the cost increase proposals Loblaw received from these suppliers were considered unjustified. As always, Loblaw will hold its suppliers accountable for justifying their requests based on real cost inputs – as it works to reduce the impact of inflationary pressures on Canadians.

–SOMETHING TO WATCH–

The **Canadian Dairy Commission** has previously announced a **2.33% increase on milk prices**, effective February 1, 2026. This will impact retail prices on a range of dairy products made with Canadian milk.



Commodity	YoY	QoQ	MoM
Cocoa	-55.9%	-22.9%	-15.2%
Sugar	-23.6%	-11.2%	-4.7%
Crude Oil	-25.7%	-7.0%	2.4%
Rice	-23.9%	-13.1%	-5.8%
Resin	-14.0%	-3.8%	0.0%
Wheat	-9.8%	-1.0%	-0.1%
Paper	-2.9%	-3.3%	-1.5%
Coffee	-4.4%	-1.6%	-7.0%
Beef	11.0%	-4.5%	2.5%
Soyabean Oil	10.6%	-1.9%	3.3%
USD	-6.3%	-1.0%	-1.4%

Commodity Context

- **Coffee:** Corrected after speculative run-up, as near-term supply fears ease
- **Rice:** Seasonal harvests and easing export restrictions are adding to supply
- **Cocoa:** Bean prices are down significantly, which should ultimately translate to shelf-prices
- **Soybean Oil:** Weaker bio-fuel margins and ample vegetable oil supply put pressures on short-term prices
- **Beef:** tight supply and strong N.A. demand putting pressure on price