



Food Inflation Report

June 2025

Local growing season should bring some relief on produce prices

While food inflation in May saw a lower rate of growth than April, it remains elevated compared to overall inflation. That said, Canadians have historically seen some relief at the register on fresh products over the summer months as June kicks off the local growing season in Canada. July and August will have the widest variety of local fruit and vegetables, with savings expected on local products through until about October. The Canadian agriculture industry is a cornerstone of the national economy, supporting over 2 million jobs and ensuring a stable food supply. Grocery stores across the country purchase tens of billions of dollars worth of food from Canadian farmers each year, highlighting the critical role local producers play in feeding Canadians.

Fresh berries, better prices

This month, strawberries and bunched vegetables (asparagus, carrots, green onions and radishes) shift from imported to locally grown, providing Canadians with lower prices due to no foreign exchange and less transportation costs, fresher produce and longer shelf life. In many cases, the produce is harvested and ready for purchase in 1-2 days, versus U.S. or Mexican produce that can take 3-4 days in transit to reach distribution centres.

Local field strawberries are generally up to 20 percent cheaper than their imported counterparts at this time of year.



Stronger EURO offsetting benefits of weakening USD

Currency often plays a role in grocery pricing in Canada. As retailers seek to diversify their international supply chains beyond the U.S., the strengthening EURO and other international currencies compared to the Canadian dollar has offset some of the benefits, especially for things like fresh produce, deli meats and cheeses, some vinegars, olive oil, and seafood. While this shift could help improve supply stability over time, it might mean slightly higher prices in these categories in the short term.

EURO stays resilient while investors pull back from the US, causing depreciation in the USD vs CAD

USD & EU vs CAD



Canadian Dollar: The USD has weakened since the beginning of the year over ongoing investor uncertainty regarding tariffs and U.S. fiscal health. Given many commodities trade in USD, this is beneficial to over food prices.

Coffee: Rains in growing regions and improved crops have helped drop coffee prices in the most recent month. Prices remain up more than 150% since 2024, but this recent reduction is a positive sign.

Sugar: Strong supply out of Brazil and India paired with weaker demand recently has sent sugar to a four-year low.