Loblaw Food Inflation Report

November 2026

Grocery Inflation Remains Modest, But Fuel Costs Are Building Pressure

Statistics Canada reported grocery inflation was 2.0% in October (up from 1.7% in September) while overall inflation held steady at 3.1%.

Higher fuel costs are adding pressure to the food supply chain. StatsCan notes that gasoline prices were 30.9% higher than a year earlier in October, while Farm Credit Canada's transportation data put fuel surcharges at nearly 45% of base freight costs. Impacts of these higher costs have not yet fully flowed through the system.

Those high energy costs affect far more than transportation. Consider a box of crackers. Our Sourcing team notes that futures on wheat, key in the production of crackers, fell 8.6% in October. But for a product like crackers, the cost of wheat currently has a smaller impact on the shelf-price than energy prices. Diesel powers farm equipment, trucks move grain to mills and flour to manufacturers, and energy is needed to bake, package and distribute the final product. And for a shelf-stable items like crackers, the cost of energy shows up much further down the line.

These are the types of factors that show up in supplier price increase requests. The United Nations Food and Agriculture Organization (FAO) notes that global food commodity prices declined 1.2% in October however high energy costs will place pressure on costs across the value chain.

Importantly, these pressures often don't reach grocery shelves immediately. In its October Monetary Policy Report, the Bank of Canada forecasts that food inflation will pick up in 2027 as higher energy and import costs move through supply chains. Major packaged-goods manufacturers are already proposing significant price increases, while new retaliatory tariffs are adding costs to certain U.S. imports.

At Loblaw, our sourcing teams continue challenging unjustified supplier increases. We'll keep working to limit the impact of rising costs on customers.

Food inflation at-a-glance

Overall Inflation	**3.1%** October	vs.	**3.1%** September
Food Purchased from Stores	**2.0%** October	vs.	**1.7%** September

Commodity's On Our Radar

Wheat (–8.6%) & Soybean Oil (–4.1%)
Larger crop forecasts and softer demand helped ease prices, although uncertainty around biofuel demand remains.

Cocoa (–3.0%)
Improved supplies from Côte d'Ivoire, higher inventories and weaker chocolate demand pushed prices lower.

Rice (+9.1%)
Reduced U.S. planting is expected to produce the country's smallest harvest in 33 years, putting upward pressure on prices.

Sugar (+5.0%)
Prices continued climbing and are now 29.3% higher than a year ago, maintaining pressure on manufacturers.

Crude Oil (+2.9%)
Prices remain 67.4% above last year, sustaining pressure on diesel and transportation costs throughout the food supply chain.

Behind the Price

Why Isn't Chocolate Getting Cheaper When Cocoa Prices Are Falling?

Global cocoa prices have retreated from their extraordinary highs in 2024 and early 2025, but chocolate prices may take longer to respond.

According to Farm Credit Canada's 2026 Food and Beverage Report, the average cost of importing cocoa and cocoa preparations into Canada rose from $9.48 per kilogram in 2024 to $12.69 in 2025.

Manufacturers may still be using ingredients purchased months earlier under longer-term contracts, while manufacturing, packaging and transportation add further costs.

For more information, contact pr@loblaw.ca

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