Food Processing Skills Canada

Palates and Pockets Revisited:

A Second Deep Dive into Canadian Grocery Consumer Attitudes and Behaviours

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Food Processing Skills Canada

FPSC is your labour, skills and workforce development non-profit organization. Our job is to provide leadership in professionalizing the food and beverage manufacturing industry so that the most important resource - people - are the best in the world. We have developed a national skills strategy which is a proven long-term approach successfully utilized by other Canadian professional sectors. This strategy builds collaborations with industry, government, academia, unions, associations, community organizations and other stakeholders.

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The opinions and interpretations in this publication are those of the author and do not necessarily reflect those of the Government of Canada.

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Consumer Survey #2

About
the 2nd Consumer Survey

#2

This report is the second of two Consumer Surveys to be conducted for gathering insights into Canadians':

- Grocery shopping habits
- Perceptions of food and beverage products available to them (e.g., safety)
- Priorities and considerations when grocery shopping
- Experience amid increasing food prices and inflation
- Labour market perceptions (e.g., views of the Temporary Foreign Worker Program)

This survey follows the October 2023 study and included several tracking items to measure change.

Introduction and Methodology

A total of 1500 adult residents from across Canada were surveyed online, between November 6 - November 12, 2024.

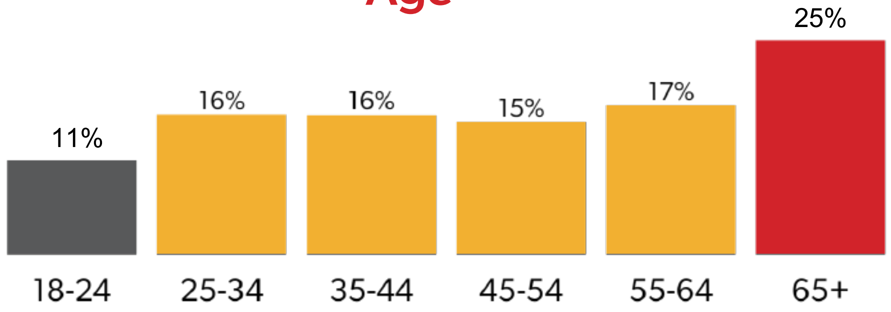
The sample was randomly drawn from Leger's web panel of potential survey respondents.

Post-stratification weights were applied to the sample based on 2021 census population figures to ensure representation by province, age, and gender.

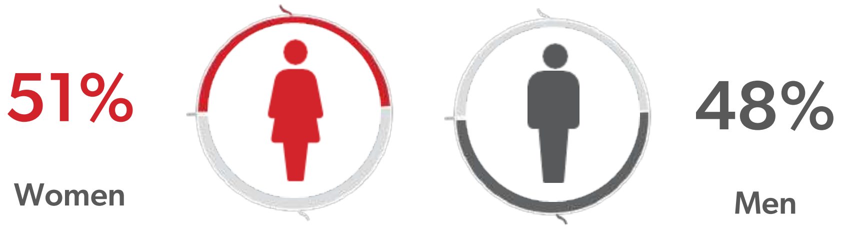
An associated margin of error for a probability-based sample of this size would be ±3%, 19 times out of 20.

Respondent Profile

Age



Gender



Household Income

Less than $20,000	5%
$20,000 - $39,999	13%
$40,000 - $69,999	21%
$70,000 - $99,999	18%
$100,000-$119,999	10%
$120,000 - $139,999	8%
$140,000 - $169,999	7%
$170,000 or more	8%

Regions

British Columbia	14%
Alberta	11%
Saskatchewan / Manitoba	3%
Ontario	3%
Quebec	37%
Atlantic Canada	24%

Other Characteristics

Canadian Born: 78%

Parents of children < 18 years old: 24%

Have dietary preference: 16%

Findings: Food Inflation Remains Top of Mind Despite Easing Rates

Persistent Inflation Concerns: While Canada's overall inflation rate fell to 2.5% by November 2024, a significant majority (63%) of Canadians still perceive grocery prices as having increased "a lot" in the past year. This is a decrease from 84% in 2023, but only 14% believe food inflation is actually "slowing down."

Profit-Driven Perception: Consistent with 2023 findings, two-thirds (66%) of Canadians attribute food inflation to profiteering within the food & beverage supply chain, rather than natural inflationary pressures. When asked to assign blame, grocery retailers (58%) and governments (26% in a revised question format) were most frequently cited.

Evolving Grocery shopping Habits: Nearly half (46%) of Canadians report changing their grocery shopping habits in the past year, primarily driven by the need to save money (72%) and maintain/improve health (58%). Environmental sustainability is a lesser concern (38%).

Price Over Brand: Over half of Canadians continue to prioritize price over brand loyalty, reinforcing the impact of inflation on consumer behaviour. Trust in food sold in Canadian grocery stores remains relatively low at 68%, a slight increase from 63% in 2023. There are some generational cleavages here (e.g., 79% of seniors express trust compared to only 61% of those under 35 years of age).

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Key Findings: Adapting to Inflation and Labour Market Perceptions

Cost-Saving Strategies: Top money-saving actions include paying closer attention to sales/specials (76%), eating leftovers/reducing food waste (56%), and shopping at less expensive stores (56%).

Health-Conscious Choices: To improve health, Canadians are increasingly cutting back on sugar (53%), limiting processed foods (52%), reading labels more carefully (41%), and eating healthier snacks (41%). Weight loss, gut health, and heart health are the primary motivations for using food & beverages to address health issues.

Conflicting Perceptions of the Labour Market: While 58% of Canadians would accept almost any job if unemployed, 80% agree that minimum wage is not a living wage.

Labour Shortages: Despite only 25% characterizing local unemployment as "low," 44% believe Canada frequently experiences a severe overall labour shortage, rising to 62% for specific industries. Among those who agreed that some specific industries are facing a sever labour shortage, healthcare (78%), agriculture/farming (51%) and construction (46%) emerge as the most in need. Food and beverage processing registers 28% (7th in a list of 10 industries).

Temporary Foreign Workers: Almost 7 in 10 Canadians are aware of the Temporary Foreign Worker Program (TFWP), with a majority (54%) deeming it mostly or very necessary, compared to 32% who view it as unnecessary. This despite recent negative media coverage and government pledges to restrict the program.

Food Inflation Revisited

Inflation has continued to dominated headlines in the last year, even though the Canadian overall inflation rate declined to 2.5% by November 2024.

Our fist consumer survey conducted in October 2023 found a near-universal perception (96%) that the price of groceries has increased in the past 12 months (i.e., October 2022 to October 2023), with 84% saying prices hade increased "a lot" (especially from the perspective of seniors).

Exactly one year later, perceptions of food inflation are only somewhat less negative. Essentially, Canadians continue to see food inflation as rampant, but below its peak:

- Tellingly, only 14% believe that food inflation is "slowing down" compared to 11% a year earlier. Men are much more likely to believe food inflation is slowing.
- The proportion who says the price of groceries has increased "a lot" in the past year is still high at 63%, but down significantly from 84% registered in 2023. Consistent with the 2023 survey results, seniors are much more likely to have perceived a steeper rise in prices.
- Consistent with the above finding, consumers today are less likely to say that grocery prices have gone up by more than 20% over the past year than they were in the first Consumer Survey, when 27% held this view.

Tracking Perceptions of Food Inflation

Q. Please indicate whether you agree or disagree with each of the following statements.

vs. 11% in October 2023

Sample base: 1,500

Tracking Perceptions of Food Inflation

Q. Over the past 12 months, would you say the price of groceries has increased, decreased or stayed about the same?

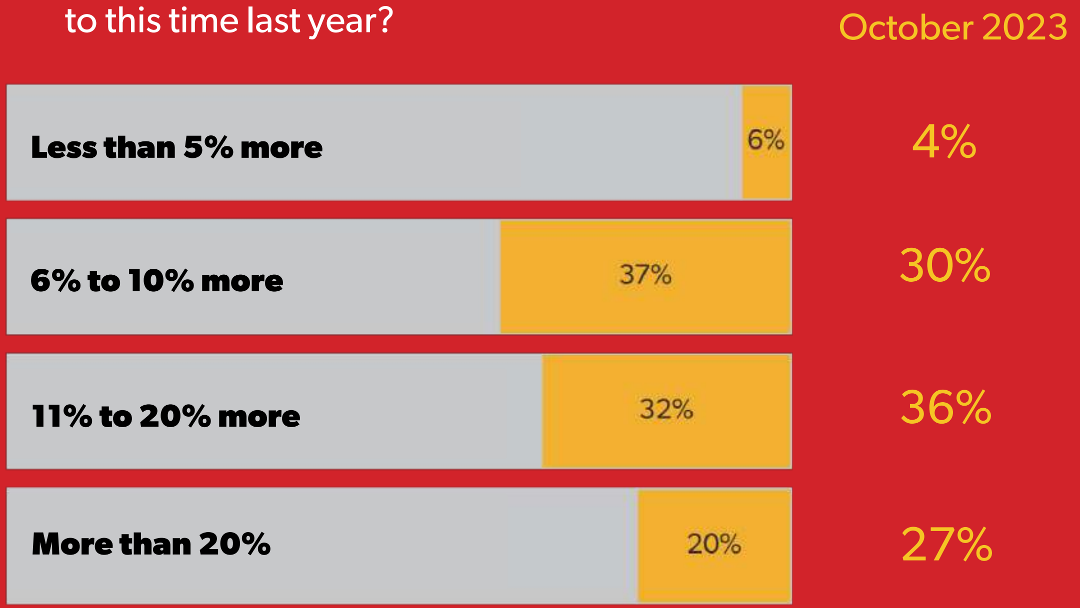
88%

feel the price of groceries increased in the past 12 months

	2024	2023
increased a lot	63%	84%
increased a little	25%	12%
stayed about the same	8%	3%

Sample base: 1,500

Q. How much more would you say you are paying for groceries today compared to this time last year?



Sample base: 1,323

Back in October 2023, two in three Canadians believed the main players in the food and beverage supply chain (i.e., producers, processors, and retailers) were taking advantage of inflation to increase their profits (over and above the impact of inflation). One year later, nothing has changed: Canadians are just as likely to say food inflation is mainly caused by price increases to raise profits (rather than just natural inflation in the supply chain): 66% today vs. 69% in 2023.

Both the 2023 and 2024 consumer surveys drill down to examine the question of **who** the public thinks is mostly to blame for profiteering. In this current survey, however, the question was asked in two ways, the first replicated the wording and options from 2023, while a new version included "governments" as an option for blame, along with adjusted question wording to reflect the fact that governments in Canada do not make "profits". The addition of the alternate question was based on feedback received from participant at the 2024 FPSC Summit.

- Based on the tracking question, there is no change in who within the supply chain is to blame: grocery retailers continue to lead the way, with 58% blaming them (compared to 59% in 2023). Food & beverage processors are blamed by 13% compared to 10% last year.
- Our new question on who to blame, which includes "governments", has 26% blaming governments and only 29% blaming retailers. Food and beverage processors register 6%. The plurality says all are "equally to blame".
- Quebeckers are significantly more likely to assign equal blame across the supply chain.

Tracking Perceived Causes of Rising Costs

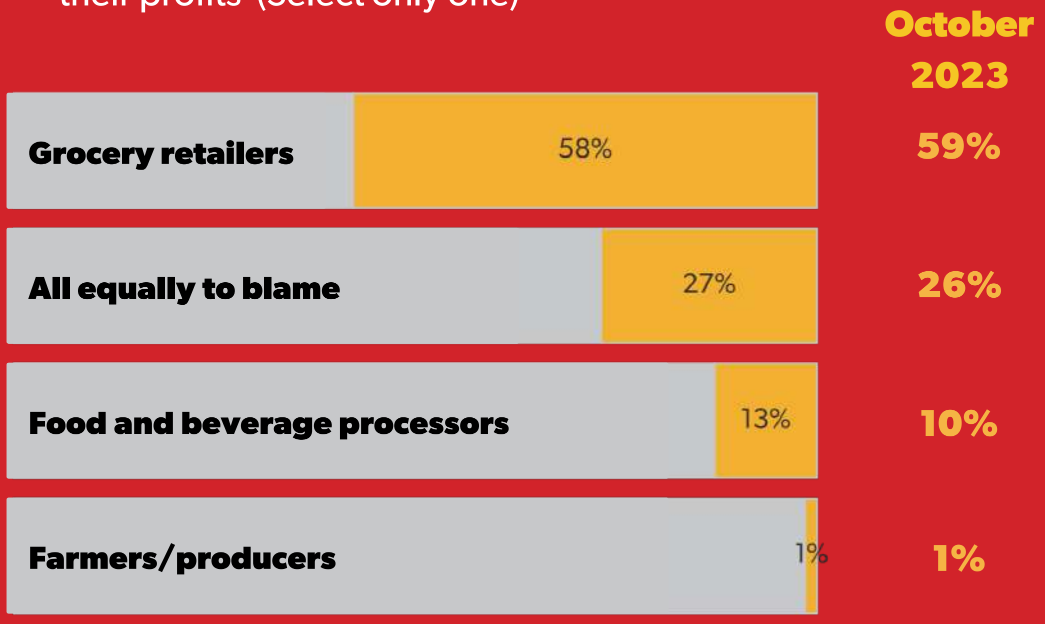
Q. Below are two points of view on the rising cost of groceries. Please tell us which one is closest to your own point of view?

		October 2023
Factors such as the COVID-19 pandemic, the war in Ukraine and climate change have created global inflation. Farmers, food and beverage processors and retailers, however, have taken advantage of the situation to raise their prices beyond what is necessary to cover the higher costs they face, to increase their profits.	69%	66%
Factors such as the COVID-19 pandemic, the war in Ukraine and climate change have created global inflation. Farmers, food and beverage processors and retailers have only raised their prices enough to cover the higher costs they face, without increasing their profits.	19%	21%
Don't know	12%	13%

Sample base: 695

Costs: Tracking Who is to Blame

Q. Which one of the following groups would you say has raised their prices the most to increase their profits (Select only one)



Sample base: 479

Q. Which one of the following groups would you say is most to blame for the rising costs of groceries? (Select only one)

Sample base: 709

Trends in Grocery Shopping

Perceptions of the Labour Market and the Temporary Foreign Worker Program

The 2024 survey reveals conflicting views on Canada's labor market. Most Canadians believe that many people won't work for minimum wage despite needing employment, while 58% of respondents said they would personally accept almost any job if unemployed. Simultaneously, 8 in 10 agree that minimum wage is not a living wage anywhere in Canada. This suggests a widespread perception that a significant portion of the labour market offers unsustainable conditions: Canadians are expected, and often willing, to accept minimum wage jobs even though they cannot provide a living.

While only 25% of respondents characterize local unemployment as "low," suggesting limited personal experience with labour shortages, a significant proportion perceive broader shortages: 44% believe Canada frequently experiences a severe overall labour shortage, and this number jumps to 62% when considering specific industries, with both views more prevalent in Quebec. This discrepancy suggests a disconnect between individual observations of local unemployment and the perceived national or industry-specific labour market. This apparent gap is potentially driven by national media coverage (i.e., of businesses and/industries facing severe labour shortages).

Among respondents who believe some Canadian industries face severe labour shortages, healthcare was most frequently identified (78%), followed by agriculture/farming (51%) and construction (46%). Food and beverage processing was selected by 28%, while financial services was least likely to be perceived as experiencing a shortage, at only 7%. These results are based on a selection from 10 possible industries.

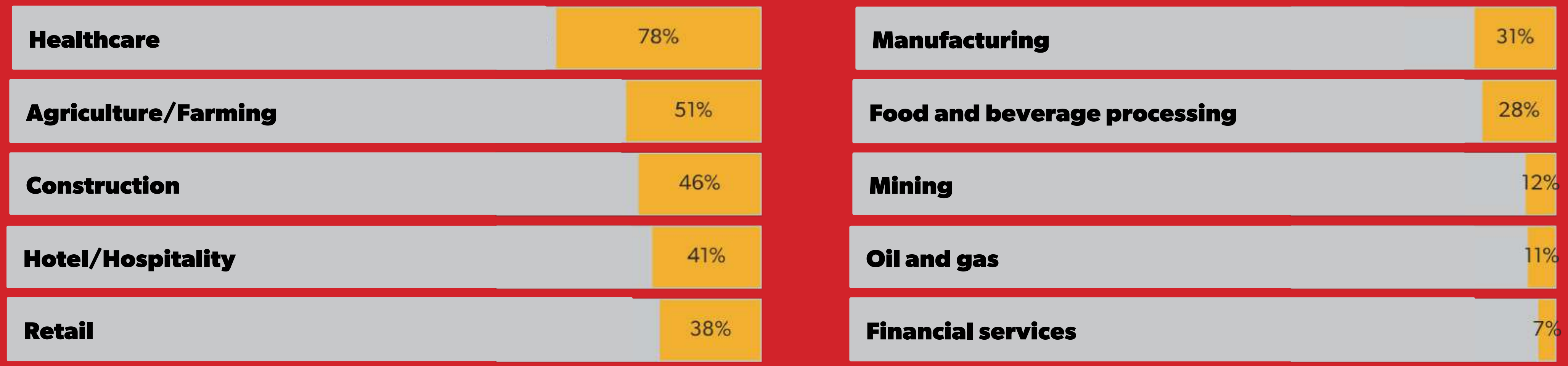
Perceptions of the Labour Market

Q. Please indicate whether you agree or disagree with each of the following statements.

Sample base: 749-1,500

Industries with the Largest Perceived Labour Shortages

Q. Which, if any, of the following Canadian industries would you say is facing a severe shortage of workers? (Select all that apply) (asked of those who agreed that certain Canadian industries often face severe labout shortages)



Sample base: 934

By November 2024, when the survey was conducted, the Temporary Foreign Worker Program (TFWP) had been prominently included in media coverage and opinion pieces critical of the federal government's immigration policies, and of the TFWP. (1) In response, the government pledged to place restrictions on the program. (2)

The survey reveals that awareness of the TFWP is broad, with close to 7 in 10 saying they have heard of it at least "a little" (45%) or "a lot" (23%). Awareness rises with age and is higher in Alberta.

In terms of perceived need for the program, the proportion who describes the program as either mostly or very necessary outweighs those who deem it unnecessary by close 2 to 1 ratio (54% to 32% respectively).

- Seniors and Quebeckers are much more likely to view the program as necessary.

1. https://www.cbc.ca/news/canada/calgary/temporary-foreign-workers-1.7240374
2. https://www.ctvnews.ca/politics/canada-to-reduce-the-number-of-temporary-foreign-workers-liberals-1.7014058

Awareness and Views of the TFWP

Q. Have you heard of Canada's Temporary Foreign Worker (TFW) program?

68%

Have heard at least a little about the Temporary Foreign Worker Program

Sample base: 1,500

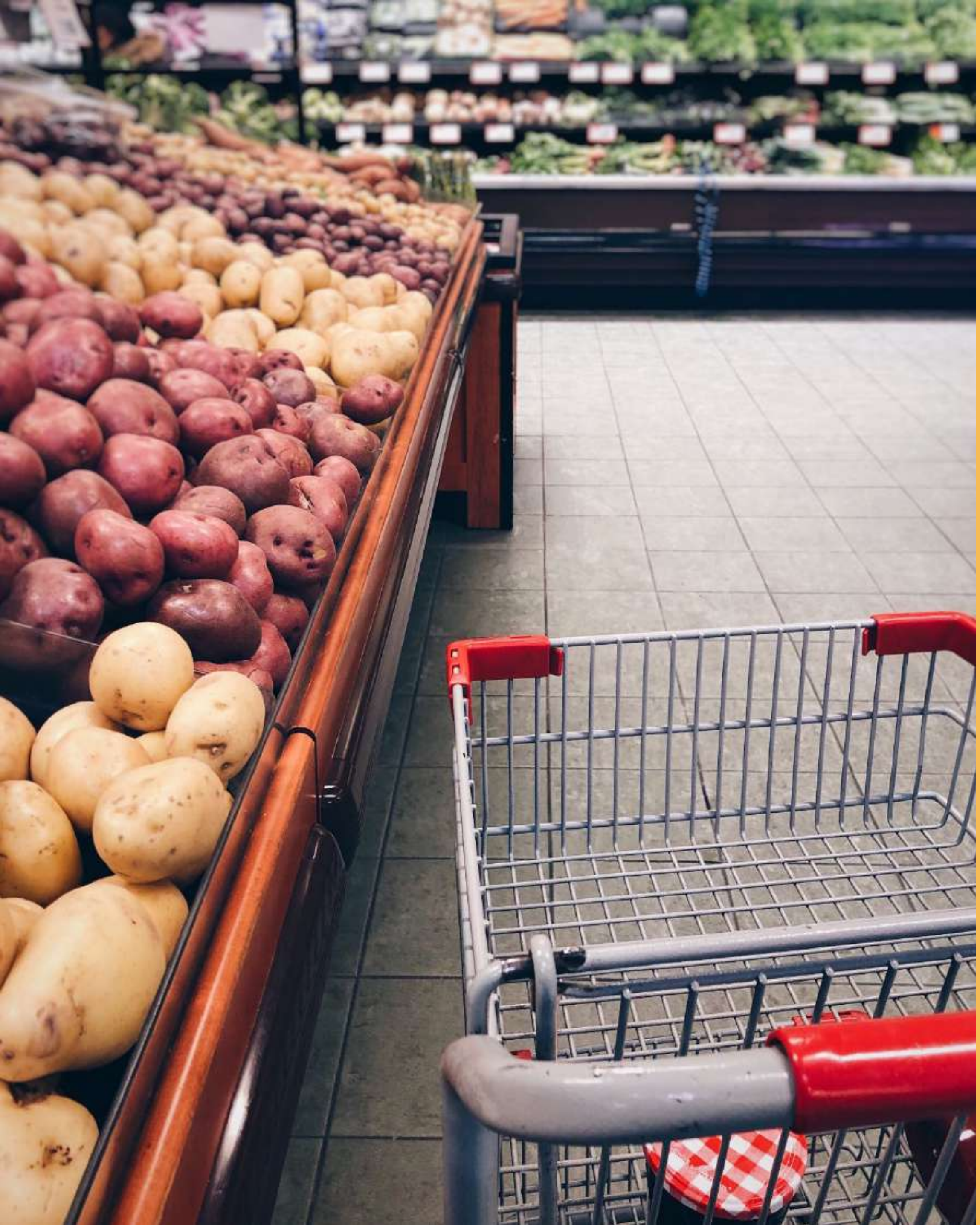
Q. Based on what you know or have heard, would you describe the Temporary Foreign Worker Program (TFWP) as necessary or unnecessary?

54%

Say the Temporary Foreign Worker Program is necessary

Sample base: 1,500

PREAMBLE TO FOLLOW-UP QUESTION: The Temporary Foreign Worker Program (TFWP) allows Canadian employers to hire foreign workers on a temporary basis to fill jobs in specific occupations or industries where there are not enough Canadian workers available.



Implications

Implications

The implications of the second consumer survey are as follows:

Value Proposition Beyond Price: While price remains a dominant factor for consumers, health and convenience are also gaining importance. Processors can capitalize on this by developing products that cater to these needs. Focusing on healthier ingredients, clear labeling (addressing the increased scrutiny of labels), convenient packaging, and highlighting health benefits (e.g., gut health, weight management) can attract consumers willing to spend a bit more for added value.

Prepare for Evolving Consumer Habits: Consumer shopping habits continue to evolve, driven by cost savings and health concerns. Processors could adapt to these shifts by offering a range of product sizes and price points, promoting value-added products that align with health trends (e.g., reduced sugar, less processed), and minimizing food waste through packaging and product innovation. The focus on leftovers also suggests opportunities for products that facilitate easy meal preparation and storage.

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LABOUR MARKET INFORMATION

Canada

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