

Canadians may have thrown away close to \$550 million worth of food at home in the last six months, due to "shelflation"

HALIFAX, N.S. (March 10, 2022) – A new term has entered the grocery industry's always changing lexicon: "shelflation." It is considered a close cousin of the now well-known term "shrinkflation." While shrinkflation is considered a strategy which the food industry uses to reduce quantities of a food product without changing the price, "shelflation" is defined as when supply chain issues lead to overripe or less fresh food products making their way onto store shelves.¹ This phenomenon ends up costing more to the supply chain and ultimately to the consumer. Many Canadians have started to notice, and we felt it was time to ask about what Canadians are experiencing at home with food spoilage.

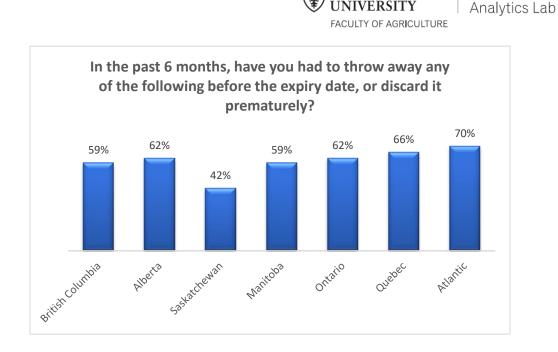
In recent months, we have heard from many Canadians anecdotally that they were throwing away food prematurely at home after purchasing it. They either had to discard food that was no longer safe to consume, or when its freshness was no longer acceptable to their standards. The **Agri-Food Analytics Lab** at **Dalhousie University**, in partnership with **Angus Reid**, conducted a study on "shelflation," which occurs when our food supply chain's efficiency compromises a perishable food product's shelf-life at retail. A total of 1501 Canadians from across the country were surveyed in February 2022.

When asked if they had to throw away any food before the expiry date, or discard it prematurely in the last month, the answers were surprising. At any time, we can expect some Canadians to have to dispose of food prematurely, but numbers surveyed were higher than expected. A total of 63% of Canadians said they had to throw away food prematurely at least once in the last 6 months. Based on food categories, the highest percentage was in **produce**, at 45%, followed by **dairy** at 31%. **Bakery products** were third, at 27%. **Meat** was fourth at 17%.

Deterioration of the quality and freshness of food products can happen at anytime, but we suspect the pandemic and global supply chain challenges have made things worse in recent months. When supply chains aren't working optimally, the chain will rob consumers of some needed shelf life at home.

"The number of Canadians who have noticed this is astonishing," said **Sylvain Charlebois**, Director of the Agri-Food Analytics Lab. "Shelflation" can happen at anytime, due to weather, labour disputes, labour shortages, mechanical failures, border-related challenges, or anything which can extend storage and/or transportation times. But it may have gotten worse with the pandemic.

¹ Powell, Chris, Supply chain crunch leaves produce sector ripe with challenges, Canadian Grocer, February 23, 2022.

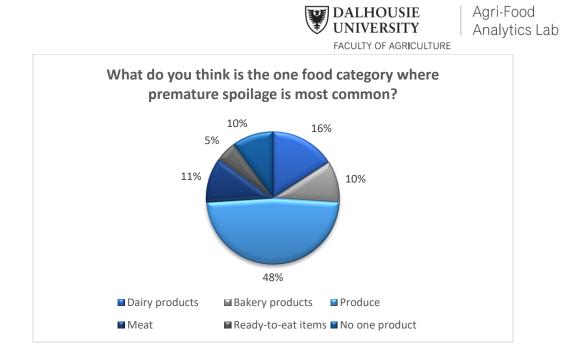


The highest percentage of Canadians who said they had to throw away food prematurely was in the **Atlantic** region, at 70%. The lowest was in **Saskatchewan** at 42%. In terms of frequency, 11% said they had to do it once, 24% twice, 43% three or four times, and 22% at least five times or more, in the last six months. The number of Canadians who have experienced "shelflation" several times in the last six months was again quite unexpected. In **Quebec**, **Ontario**, and the **Atlantic**, of those who had to throw away food prematurely at home, 24% had to do it 5 times or more.

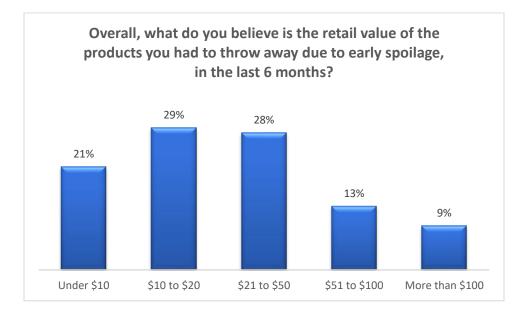
"Regional differences are telling," said **Janet Music**, Research Associate at the Agri-Food Analytics Lab at Dalhousie University. "You can see some regions have been impacted more by this than others, and this adds to a household's grocery bill," said Music.

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The survey also asked Canadians which is the one food category where premature spoilage is most common. Overwhelmingly, produce was the most popular choice, at 48%. Only 16% picked dairy, followed by **meat** at 11%.



Finally, the report estimated the amount of food prematurely discarded at home, in dollars. We asked Canadians what they believe was the retail value of the products they had to throw away due to early spoilage, in the last 6 months. While a total of 21% said it was \$10 or less, 29% said it was \$10 to \$20. A total of 28% said it was \$20 to \$50, and 13%, from \$51 to \$100. A total of 9% said it was over \$100, in the last 6 months.



In dollars, based on our survey results, we estimate that Canadians may have thrown away food prematurely at home at a value of anywhere between **\$305 million and \$545 million**, over the last 6 months.

The grocery industry has used the just-in-time approach to getting food on shelves and it has worked for many years. Unpredictable market conditions like weather, and of course, employees getting ill during the pandemic and ever-changing sanitary protocols brought an unprecedented level of uncertainty to the entire food industry. This may explain why so many Canadians are experiencing "shelflation."

End of report.



Agri-Food Analytics Lab

Full report here: https://www.dal.ca/sites/agri-food.html

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Methodology: A representative survey of Canadians was conducted in February 2022, in partnership with Angus Reid. The survey was conducted online. 1,501 valid responses were collected.

Margin of Error: +/- 3.1%, 19 times out of 20. Any discrepancies in or between totals are due to rounding.

Disclosure: Funding for this survey was provided by Angus Reid and Dalhousie University.