DALHOUSIE UNIVERSITY

AGRI-FOOD ANALYTICS LAB

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Canadian Food Sentiment Index

Bi-Annual Insight Report

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Introduction

The Canadian Food Sentiment Index: Bi-Annual Insight Report is a flagship initiative by Dalhousie University's Agri-Food Analytics Lab, supported by Caddle Insights. This comprehensive report measures Canadians' perceptions and sentiments on a wide range of food-related issues, gathering insights from over 3,000 respondents every six months. By asking the same questions across each cycle, the report tracks trends and shifts in consumer sentiment, providing consistent and meaningful data.

Inspired by Purdue University's Consumer Insight Report, the index covers key themes, including:

Food Price Experiences, Food Expenditures, Food Values, Consumer Behaviors, Consumer Beliefs & Consumer Trust.

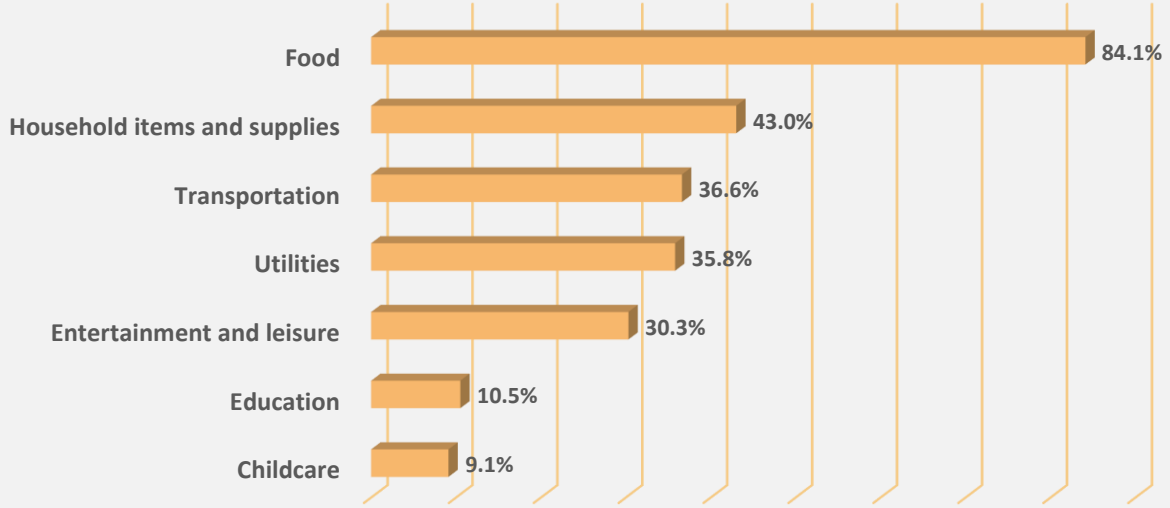
This report provides critical insights into how Canadians feel about food affordability, quality, security, and trust, offering valuable guidance for industry stakeholders, policymakers, and the public.

Key Insights from October 2024

Food Price Experiences

Results shown in figure 1 represent significant price increases across various consumer expenses over the past 12 months, highlighting economic pressures in different sectors. Housing and food indicate severe inflation likely driven by factors like supply constraints and rising raw material costs, profoundly impacting household budgets. Other categories such as household items, transportation, and utilities also show substantial rises, suggesting increased costs in manufacturing, fuel, and energy prices. These trends are critical for understanding broader economic conditions, influencing consumer behaviour.

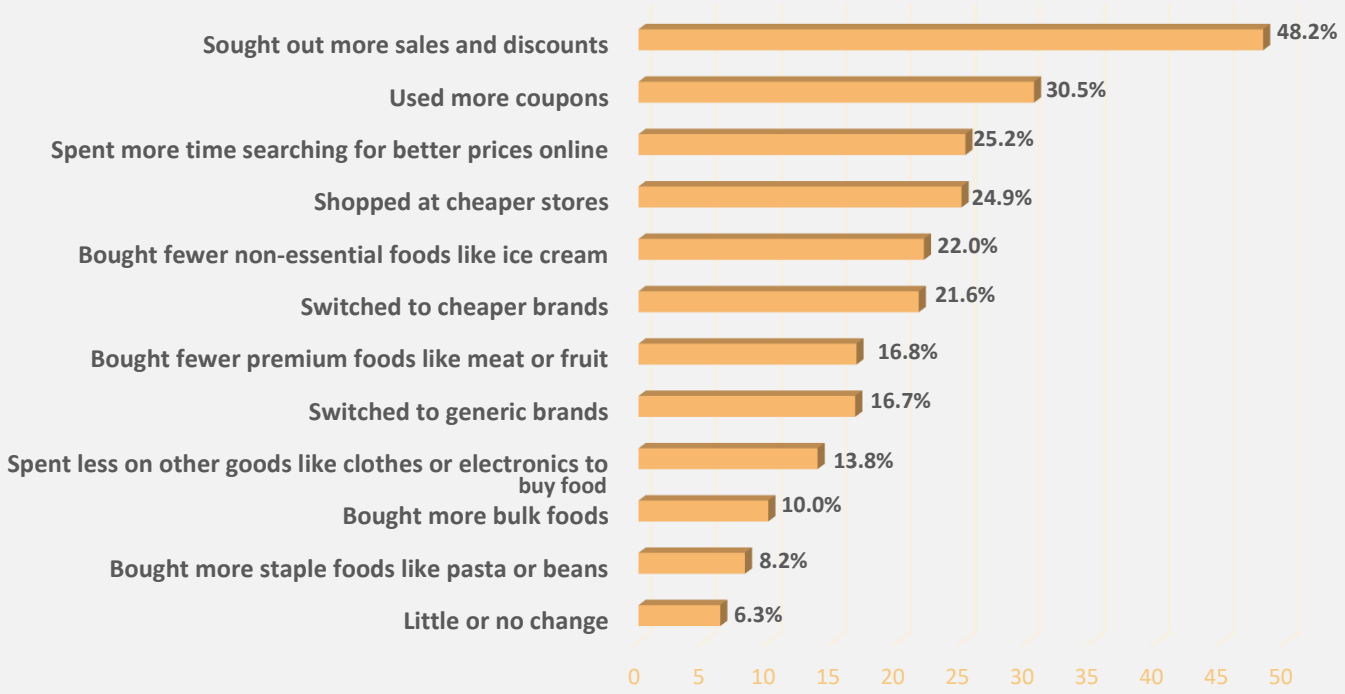
Figure 1: ***For which of the following expenses have prices increased the MOST in the past 12 months? (Please select all that apply)***[6]



Food Price Experiences

The most common adjustment, reported by 48.2% of respondents, is seeking out more sales and discounts. This is followed by using more coupons (30.5%) and spending more time searching for better prices online (25.2%), indicating a strong trend towards cost-saving strategies. Shopping at cheaper stores is also a significant change, with 24.9% of respondents opting for this approach. Other notable changes include buying fewer non-essential foods like ice cream (22.0%), switching to cheaper brands (21.6%), and buying fewer premium foods like meat or fruit (16.6%). A smaller portion of respondents have switched to generic brands (16.7%) or spent less on other goods like clothes (18.9%). Interestingly, only 6.3% reported little or no change to their shopping habits, highlighting that the majority are actively seeking ways to manage the impact of rising food costs.

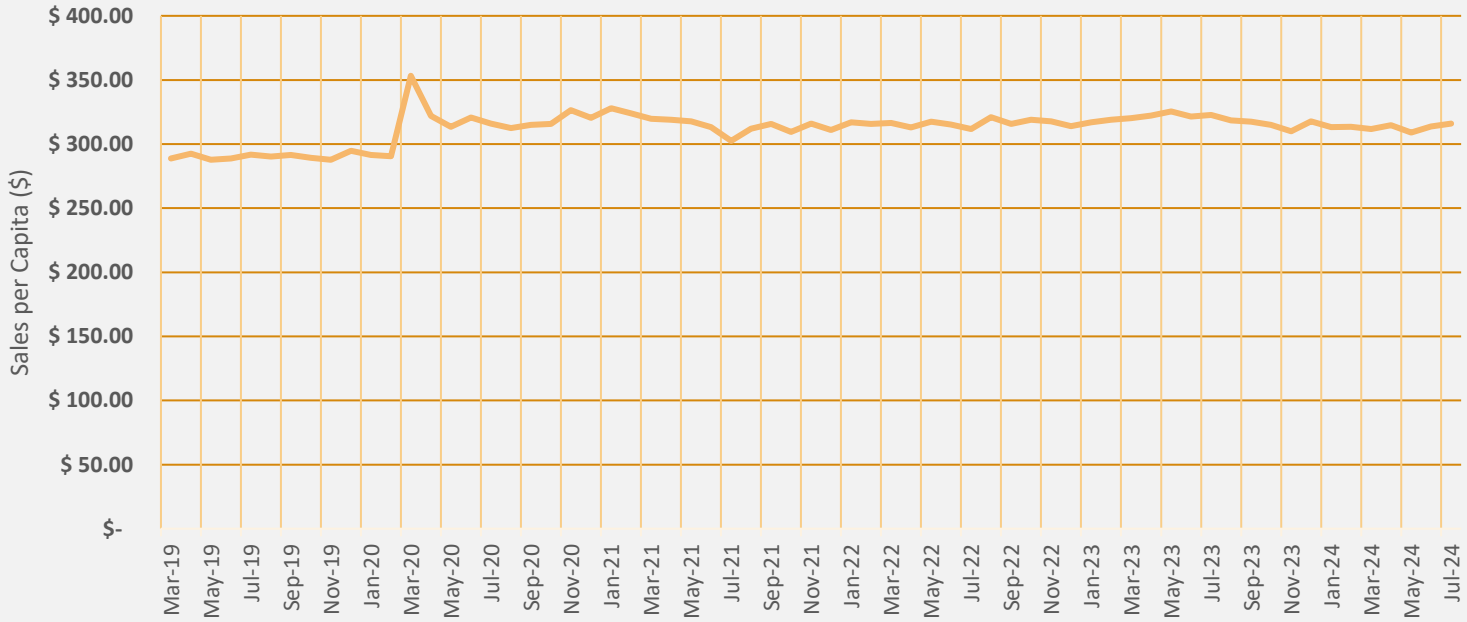
Figure 2: ***In response to recent food price inflation, which of the following changes have you made to your grocery shopping habits?***
(Please select up to 3 options)



Food Expenditures

Food sales per Canadian from March 2019 to July 2024 show a relatively stable expenditure pattern with occasional fluctuations. Notably, there is a sharp spike in March 2020, due to panic buying at the onset of the COVID-19 pandemic. Although spending stabilized somewhat afterward, it remained barely above pre-pandemic levels, despite food prices increasing 27% since 2019. This very modest increase suggests that Canadians have been facing significant financial strain due to rising food costs, impacting household budgets and consumer spending behavior, with the recent trend from early 2023 to July 2024 indicating a slight but steady rise in per capita food expenditure.

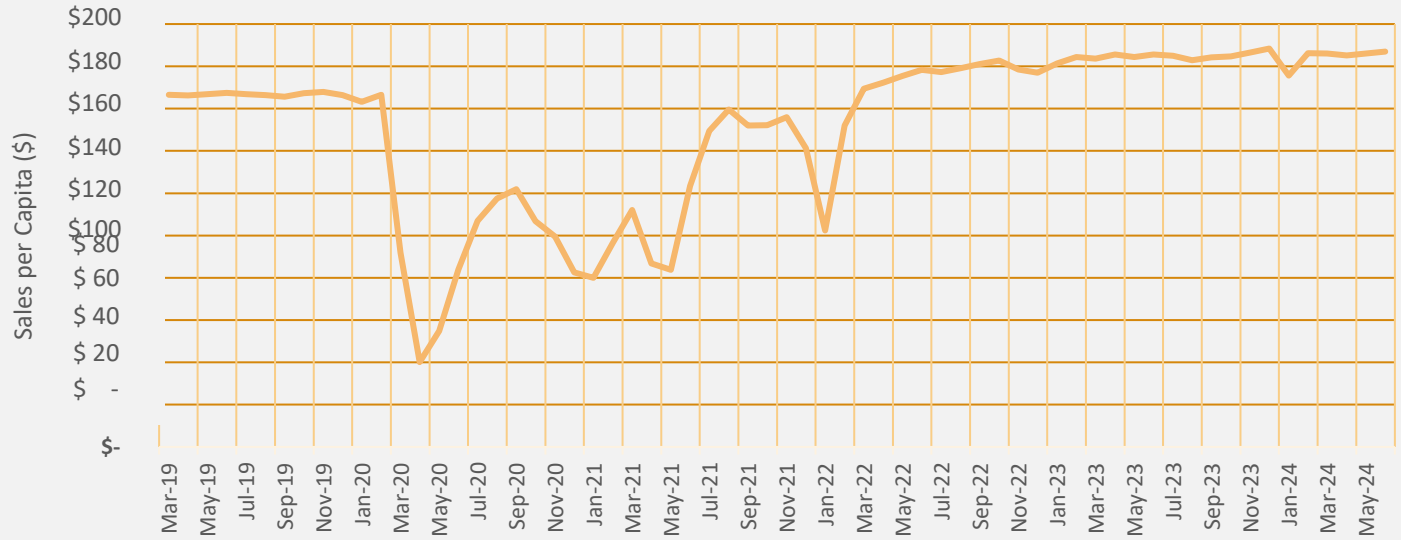
Figure 3: Retail Food Sales per Canadian from March 2019 to July 2024[7]



Food Expenditures

Food service sales per capita (restaurants) in Canada from March 2019 to June 2024, have fluctuated dramatically. Initially, spending was around $160 per capita and showed minor variations until a dramatic decline starting in March 2020, where it plummeted to below $40, due to restaurant closures and restrictions during the early stages of the COVID-19 pandemic. Following this steep drop, there was a gradual recovery with notable ups and downs, reflecting the phased reopening and subsequent restrictions tied to varying waves of the pandemic. By early 2021, spending began to stabilize, and by mid-2022, it had mostly recovered to pre-pandemic levels. From late 2022 through June 2024, the sales per capita remained relatively steady, suggesting that the food service industry had adapted to the new normal, maintaining consistent spending levels despite ongoing economic pressures and changes in consumer behaviour. Numbers are surprisingly strong in recent months.

Figure 4: Food Service Sales per Capita from March 2019 to June 2024[8]

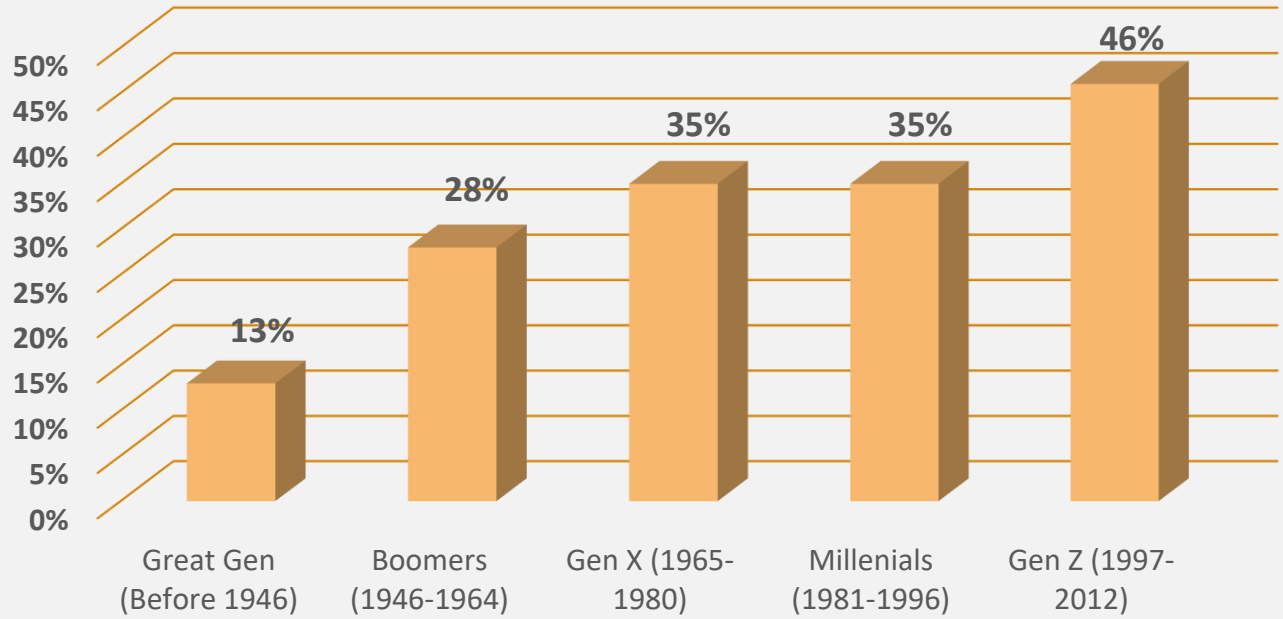


Food Security

About 13% of the Great Generation has had to use savings or borrow money to buy food, significantly less than the 28% of Baby Boomers. Generation X as well as Millennials show a slightly higher trend at 35%. Generation Z faces the most considerable challenge, with 46% needing to draw on savings or borrow.

This pattern reflects the substantial economic pressures younger generations face, possibly due to escalating food costs, higher living expenses, or unstable early-career employment. Tracking these trends over time will be particularly interesting with the index, providing insights into how economic conditions affect generational financial behaviors in the long term.

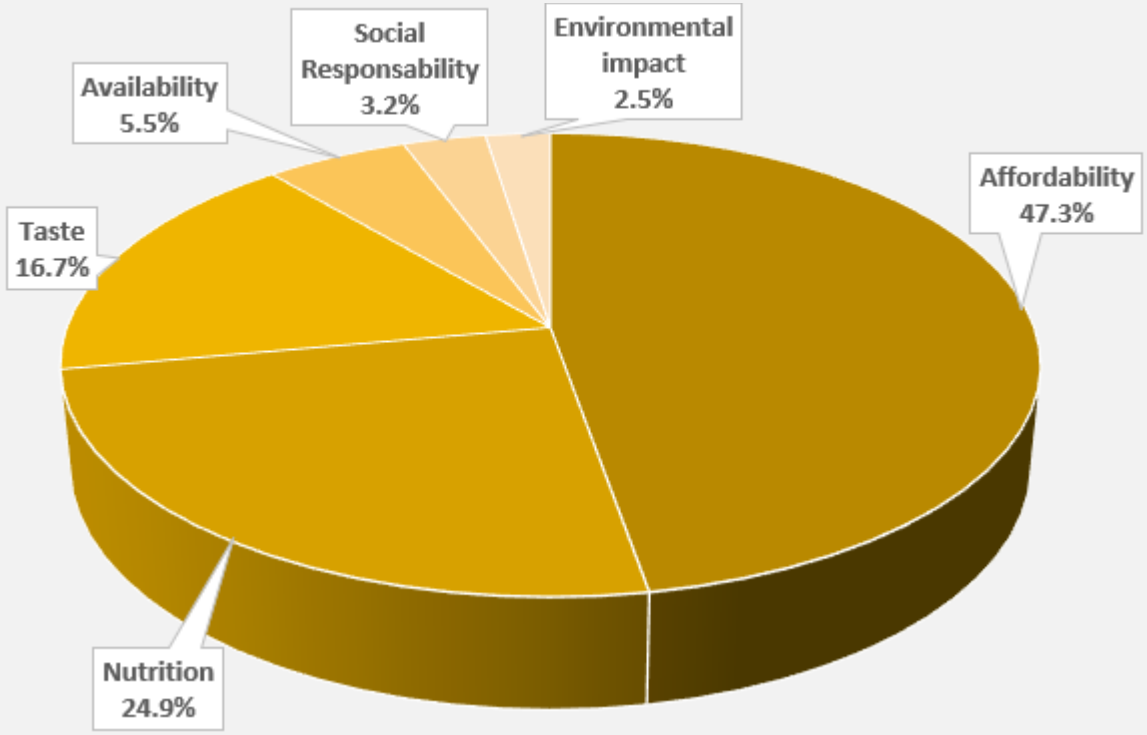
Figure 5: Percentage of Respondents Drawing from Savings or Borrowing Money to Purchase Food per Generations



Food Values

These are major factors considered by consumers when purchasing food. Affordability is the most significant factor at 47.3%, highlighting its dominant role in consumer choices, especially in the current economic climate. Nutrition follows with 24.9%, indicating a strong consumer interest in healthy eating. Taste is also a notable consideration at 16.7%, while availability is considered by 5.5% of consumers. Social responsibility (3.2%) and environmental impact (2.5%) are less prioritized but still relevant. Tracking food values trends over time will be interesting in highlighting changing consumer priorities, particularly how economic, social, and environmental factors influence purchasing decisions.

Figure 6: Importance of Factors in Food Purchase



Consumer Behaviours

Attitudes do vary and will influence how consumers purchase food over time. The Index will focus on three major factorial pillars when assessing behavior: risk, sustainability, and value. We expect these factors to vary significantly as market conditions change across the country.

Mean scores:
Never: 1
Rarely: 2
Sometimes: 3
Often: 4
Always: 5

Table 1: Value-Based Behaviours	
Check the nutrition label on products before buying new foods	3.42
Choose local foods over non-local foods	3.17
Choose generic or store brand foods over brand-name foods	2.91
Choose wild-caught fish over farm-raised fish	2.53
Choose organic foods over non-organic foods	2.52
Choose cage-free eggs over conventional eggs	2.47
Choose grass-fed beef over conventional beef	2.45
Choose plant-based proteins over animal proteins	2.43

Table 2: Risk-Based Behaviours	
Check the use-by / sell-by date on products at the store	4.02
Throw away food when it is past the "Use-By" date	2.96
Eat fresh fruits and vegetables without washing them	2.28
Eat rare or undercooked meat	1.85
Eat raw dough or batter	1.79

Table 3: Sustainability-Based Behaviours	
Recycle food packaging	4.19
Take steps to reduce food waste at home	4.02
Compost food scraps	3.39

Consumer Behaviours

Omnivorous: Diet includes a variety of food sources, such as meat, fish, vegetables, fruits, grains, and dairy.

Vegetarian: Do not eat meat or fish but may consume dairy products and eggs. This diet includes plant-based foods and can include animal byproducts that are not directly obtained by slaughtering animals.

Flexitarian: Primarily vegetarian but occasionally includes meat or fish.

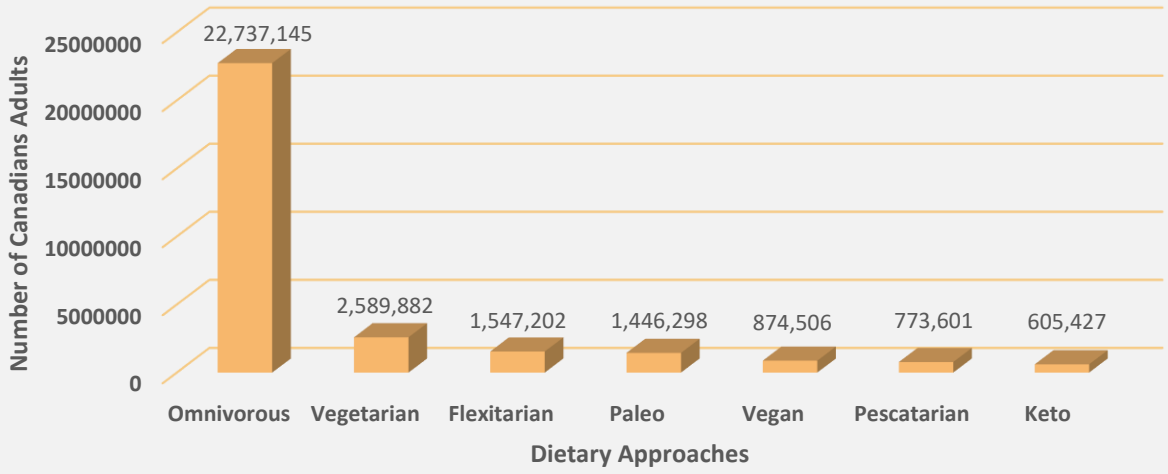
Paleo: The paleo diet is based on eating foods presumed to be available to humans in the Paleolithic era. It focuses on meats, fish, fruits, vegetables, nuts, and seeds, and excludes processed foods, grains, and dairy.

Vegan: Vegans strictly avoid all animal products, including dairy, eggs, and honey, as well as meat and fish. The diet consists entirely of plant-based foods.

Pescatarian: Pescatarians do not eat meat but do eat fish and seafood. This diet also includes eggs, dairy products, and plant-based foods.

Keto: High in fats, moderate in proteins, and very low in carbohydrates. It aims to force the body into ketosis, a metabolic state in which fat provides most of the fuel for the body, and is popular for weight loss.

Figure 7: Number of Canadians Adults Following Different Diets[9]



Food Beliefs

Canadians are grappling with substantial food price inflation, yet there is a prevailing sense of hope that the most severe impacts may have passed. The majority anticipate that inflation will continue, though at a more tempered pace, indicating a cautiously optimistic outlook on the future trajectory of food prices.

Mean scores:
Strongly Disagree: 1
Disagree : 2
Neutral: 3
Agree : 4
Strongly Agree : 5

Figure 8: Perceived Food Price Changes in the Last 12 Months vs Expected Food Price Changes in Canada for the Next 12 Months

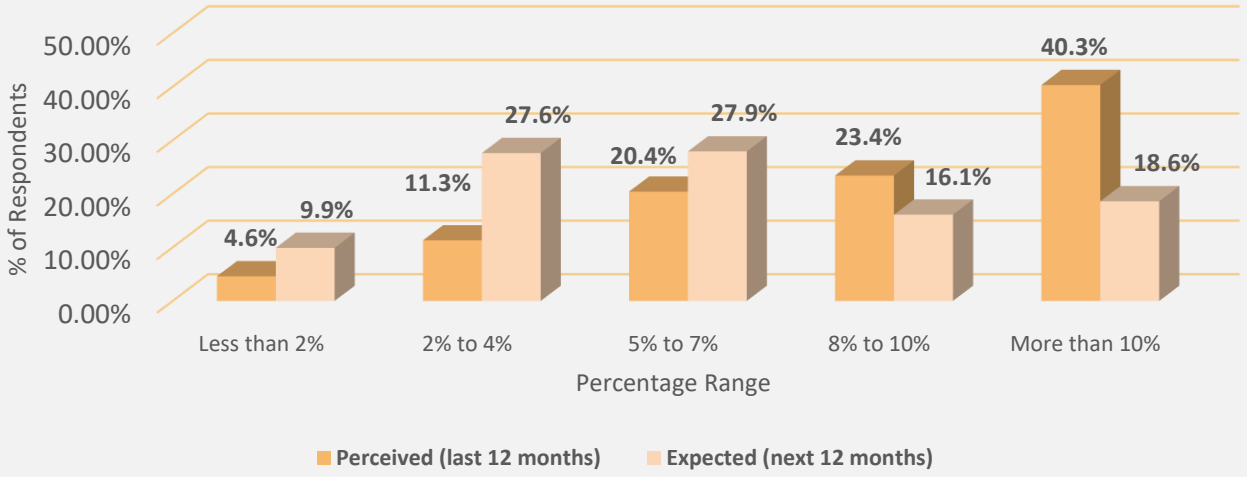


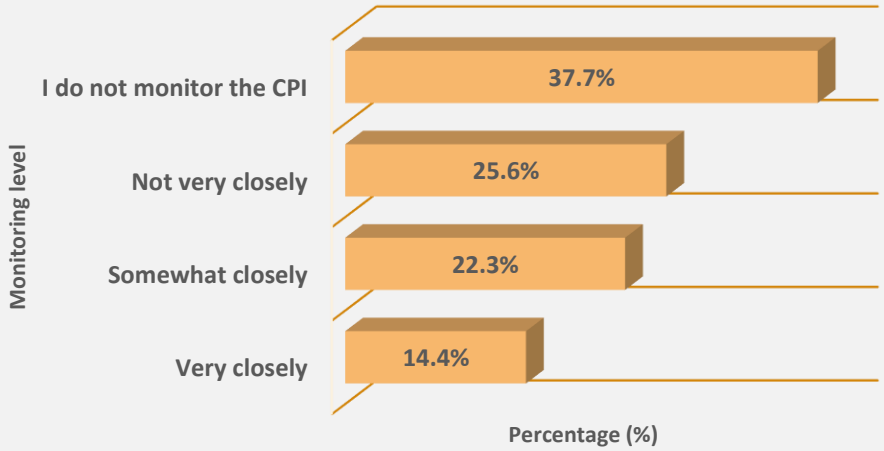
Table 4: Food Beliefs	
Organic food is more nutritious than non-organic food	3.01
Gluten-free food is healthier for you	2.61
Plant-based milk is healthier than dairy milk	2.56

This first survey shows that the respondents do not strongly believe that organic and gluten-free food, as well as plant-based milk are healthier. This is reflected in the results regarding organic food in the Consumer Behaviours section.

Food Beliefs

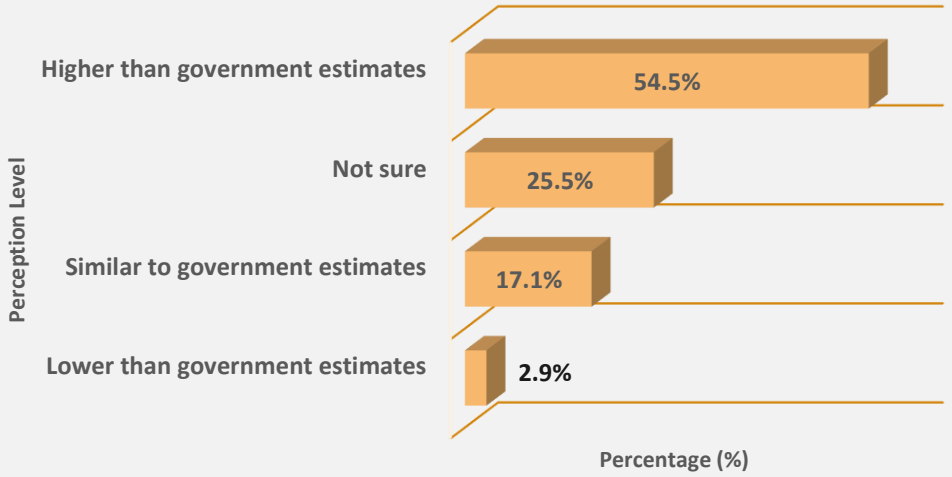
Results reflect varying levels of engagement with official inflation metrics among households, with most people either not monitoring the CPI or doing so only casually. It might also suggest that food price perceptions and purchasing behaviors are driven more by direct experience than formal economic indicators for many people.

Figure 9: ***How closely do you monitor government-reported consumer price index (CPI) estimates when considering your household's food budget?***



A considerable segment of the population perceives that the actual escalation in food prices surpasses the official statistics, suggesting a potential distrust or a belief in the underreporting of these figures by the federal agency.

Figure 10: ***How does your perception of food inflation compare to the official government estimates?***



Consumer Trust

Canadian Farmers receive the highest trust score of 3.69, indicating that Canadians have strong confidence in farmers to act in their best interests regarding food.

Health Canada (3.59) and the **Canadian Food Inspection Agency** (3.54) also receive relatively high trust scores, suggesting that the public generally believes these government bodies play a crucial role in ensuring food safety and regulations.

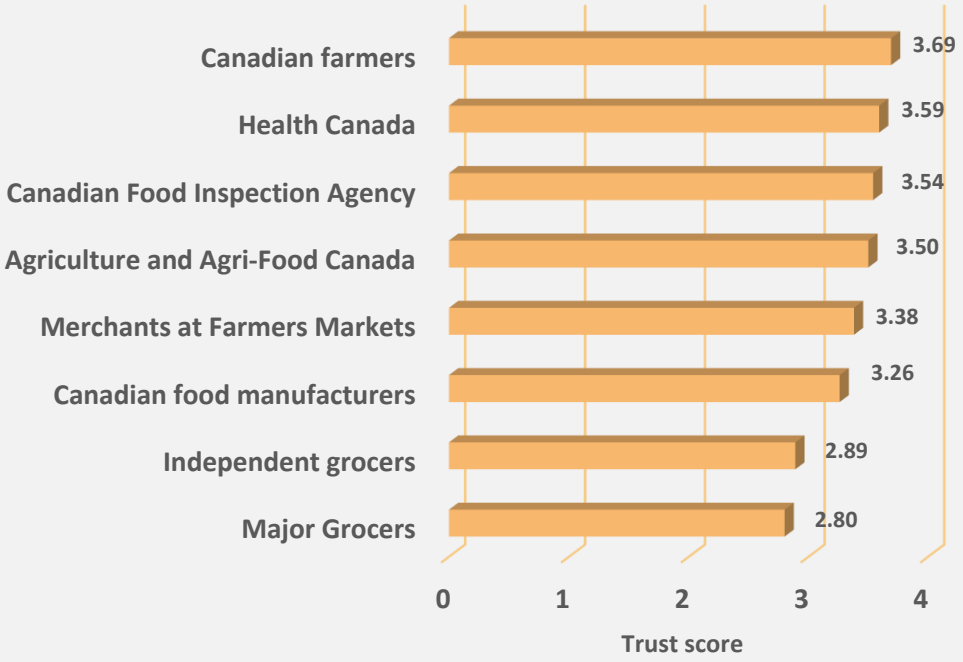
Agriculture and Agri-Food Canada (3.50) and **Merchants at Farmers Markets** (3.38) are trusted moderately, showing some confidence in these actors but less than farmers and health-related government bodies.

Canadian Food Manufacturers (3.26) fall in the middle of the trust spectrum, indicating some skepticism, likely driven by concerns over food production practices or corporate motives.

Independent Grocers (2.89) and **Major Grocers** (2.80) receive the lowest trust scores, suggesting that Canadians are less confident in retailers, particularly major grocery chains, to act in their best interest regarding food. This could be due to perceptions of price increases, corporate practices, or insufficient support for local food systems.

These results **highlight a clear hierarchy of trust**, with Canadian farmers being the most trusted, followed by public institutions responsible for health and food safety, while larger corporate entities, particularly major grocers, are viewed with the most skepticism. This reflects concerns about corporate motives, food pricing, and the perceived lack of transparency or accountability within large retail sectors.

Figure 11: Food Trust Factors



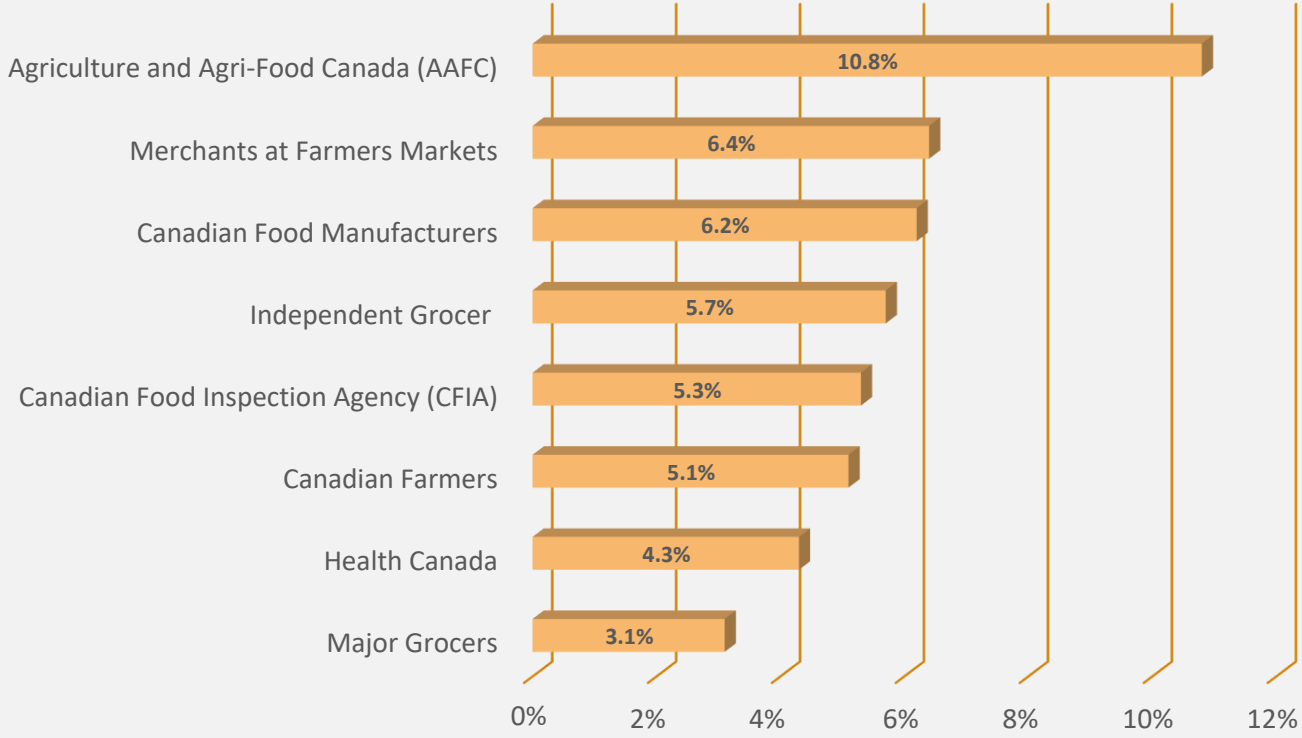
5 = Strongly Trust ; 1 = Strongly Distrust

Consumer Trust

This data shows the **level of indifference** among Canadians towards different food-related stakeholders based on the percentage of respondents who selected "I am not sure" when asked about their trust in these stakeholders.

This illustrates that a significant portion of Canadians are unsure or indifferent about the role of AAFC, while major grocers (Loblaws, Metro, Sobeys, Walmart, and Costco) evoke relatively less uncertainty.

Figure 12: Level of Indifference



Survey Methodology

This survey, conducted from **September 6 to 7, 2024**, aimed to assess Canadians' perceptions of food-related trust factors, price increases, and behaviors regarding food purchasing and consumption.

Sample Size and Population:

The survey consisted of 3,007 respondents from across Canada.

The sample was designed to be representative of the general Canadian population in terms of demographics such as age, gender, and region.

Respondents were recruited through an online panel, ensuring a diverse cross-section of participants from urban, suburban, and rural areas.

Quotas were applied to ensure appropriate representation across provinces and territories, ensuring that the data accurately reflects the Canadian population.

Survey Instrument:

The survey instrument was a structured questionnaire inspired largely by Purdue University's Consumer Food Insights Report, which is regularly released by the University.

Respondents were asked a series of closed-ended questions, including Likert scales and multiple-choice formats, to gauge their trust in various entities, their food purchasing habits, and their perceptions of price changes.

Data Collection:

Data collection was facilitated by Caddle Canada, the data provider, via an online survey platform over two days.

The online mode ensured that respondents had access to clear instructions, anonymity, and time to reflect on their answers, reducing potential response bias.

Weighting:

The data was weighted based on the latest Canadian census figures to adjust for over- or under-representation in key demographic variables such as gender, age, region, and education level. This weighting ensures that the results are nationally representative.

Survey Methodology

Questionnaire Design:

The questionnaire covered several key areas:

Food Trust Factors: Respondents rated their trust in various organizations and entities (e.g., Canadian farmers, major grocers, government bodies like Health Canada and Agriculture and Agri-Food Canada) using a 5-point Likert scale (1 = Strongly distrust, 5 = Strongly trust).

Food Price Perception: Questions assessed respondents' perceptions of food price changes over the past 12 months and their expectations for the next 12 months. Respondents were also asked how closely they monitored food-related Consumer Price Index (CPI) reports.

Consumer Behavior: Questions explored how often respondents purchase specific types of foods (e.g., organic, grass-fed, wild-caught) and their environmental behaviors (e.g., composting, reducing food waste).

Perception of Government Estimates: Respondents compared their perceived food inflation with official government estimates.

Data Analysis:

Descriptive statistics were used to summarize the distribution of responses, and average trust scores were calculated for each food trust factor based on the 5-point scale.

Further cross-tabulations and inferential statistical analyses were conducted to explore potential relationships between demographic variables and responses.

Margin of Error:

The margin of error for this survey is +/- 1.8%, 19 times out of 20. However, as the survey was conducted online with non-probability sampling, the margin of error is less applicable.

Limitations:

As this was an online survey, certain population segments, such as Canadians without reliable internet access, may not be fully represented. Self-reporting bias may have affected some responses, particularly those regarding behaviors like food waste and recycling.

This methodology ensures that the findings provide a reliable reflection of Canadian attitudes and behaviors related to food trust, pricing, and consumption as of September 2024.

Endnotes

[1] Statistics Canada, August 2024
[2] Statistics Canada, August 2024
[3] PROOF Research Program, uToronto
[4] Statistics Canada, using NAICS 445 and population estimates, up to July 2024
[5] Statistics Canada, Table: 21-10-0019-01 excluding alcohol, and population estimates, up to June 2024
[6] This first survey should have included '*Housing*' as an option. It will be included in future surveys.
[7] Statistics Canada. Table 20-10-0056-01, Monthly retail trade sales by province and territory (x 1,000)
[8] Statistics Canada. Table 21-10-0019-01 Monthly survey of food services and drinking places (x 1,000) ; DOI: https://doi.org/10.25318/2110001901-eng
[9] Statistics Canada. Table 17-10-0005-01 Population estimates on July 1, by age and gender; DOI: https://doi.org/10.25318/1710000501-eng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