Food Processing Skills Canada

Impact of US Tariffs on Canadian Food Consumer Behaviour

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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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Consumer Survey #3

Introduction | About the Consumer Survey #3

This report is the third of an ongoing series of 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 recent March 2025 study 'Palates and Pockets Revisited' and includes several tracking items to measure change.

Methodology

A total of 1500 adult residents from across Canada were surveyed online, between March 17 - March 20, 2025.

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.

Key Findings

Consumer Concerns and Shifting Priorities: Despite easing official inflation rates, the perception of high grocery prices remains a significant concern for Canadian consumers. Only a small minority (10%) believe inflation is slowing, with women particularly likely to perceive ongoing price increases. However, trust in the food sold in Canadian grocery stores is on the rise, potentially influenced by recent trade disputes. While price remains a key consideration, consumers are increasingly prioritizing other factors, such as supporting Canadian producers.

Trade Disputes and Evolving Shopping Habits: Awareness of U.S. trade disputes is almost universal among Canadian consumers, and these disputes are now a significant driver of change in grocery shopping habits. Nearly half (43%) of consumers report making significant changes to their shopping habits in the past two months, primarily driven by a desire to buy Canadian products and avoid U.S. products. This trend is particularly strong among seniors.

Challenges in Identifying Canadian Products: A major barrier to consumers' ability to support Canadian producers is the difficulty in identifying Canadian products. Only 60% of consumers find it easy to determine a product's origin, highlighting a significant opportunity for improvement. This challenge is particularly pronounced among men.

Increased Demand and Untapped Potential: As a result of shifting priorities, two-thirds (67%) of consumers are now buying more Canadian products. The top motivations for doing so include a belief that it's good for the economy, frustration with the U.S., and a desire to support Canadian processors. However, the perception of higher prices and the difficulty in identifying Canadian products remain significant barriers. Despite these challenges, a large majority (70%) of consumers say they would buy more Canadian products if it were easier to identify them, highlighting a significant untapped potential for growth.

[1] https://www.whitehouse.gov/cea/written-materials/2021/07/06/historical-parallels-to-todays-inflationary-episode/

Tracking Perceptions of Grocery Inflation

Consumer Perceptions of Food Inflation: A Persistent Concern

Despite easing official inflation rates, consumer perception of food inflation remains strong. Only 10% of Canadians believe food inflation is slowing (down from 14% in November 2024), with women significantly less likely to agree.

Nearly all respondents (61%) perceive grocery prices as having increased "a lot" in the past 12 months, consistent with November 2024 findings. While this is lower than the 84% reported in 2023 when official inflation was higher, it still indicates a widespread concern.

- Women are more likely to perceive a significant increase in grocery prices.

Approximately half (48%) estimate grocery price increases exceeding 10% in the past year, a slight decrease from 52% in November 2024 and 63% in 2023.

Perceptions of **Grocery Inflation**

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

Sample base: 1,500

November 2024	October 2023
14%	11%

Perceptions of **Rising Grocery Costs**

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

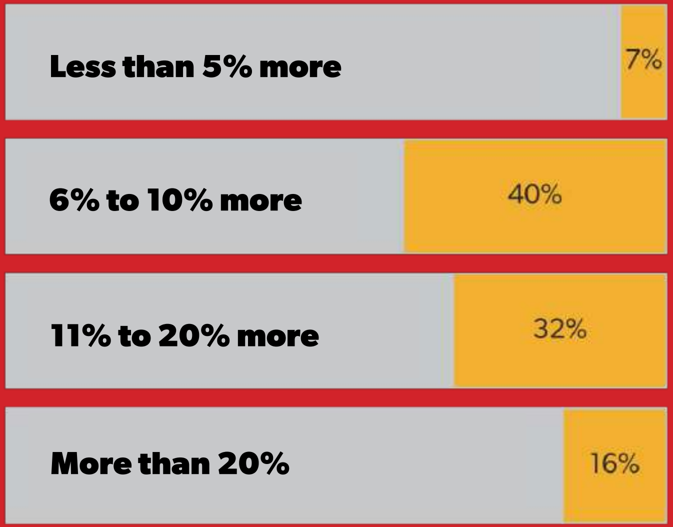
92%

feel the price of groceries increased in the past 12 months

	2025	2024	2023
increased a lot	61%	63%	84%
increased a little	30%	25%	12%
stayed about the same	6%	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?



	2024	2023
Less than 5% more	6%	4%
6% to 10% more	37%	30%
11% to 20% more	32%	36%
More than 20%	20%	27%

Sample base: 1,374

Tracking Perceptions of Food Quality & Safety, and Determining Product Attributes

Trust in Canadian Food on the Rise and Challenges in Identifying Canadian Products: A Barrier to Consumer Choice

Consumer trust in the food sold in Canadian grocery stores has increased significantly, rising to 76% from 68% in November 2024 and a low of 63% in October 2023.

- Seniors exhibit the highest level of trust (86%).

There's a slight decrease in consumers prioritizing price over brand, although younger consumers (particularly Gen Z) remain more price--sensitive.

A key finding is the difficulty many consumers face in identifying Canadian products. Only 60% find it easy to determine a product's origin (down from 66% in October 2023), contrasting with the ease of determining price (87%), freshness (82%), and quality (70%). This presents a significant opportunity for improvement.

- Men report greater difficulty in determining product origin.

Tracking Views of **Quality & Safety**

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

Statement	% Agree	November 2024	October 2023
I trust the food sold in Canadian grocery stores	76%	68%	63%
Canada has higher food safety than the US	63%	-	-
I generally buy whichever product is offering the best price and brand rarely matters	49%	55%	55%

Sample base: 1,500

Determining **Product Attributes**

Q. How easy is it for you to determine the following when purchasing groceries?

	% Easy	October 2023
Product price	87%	90%
Freshness	82%	84%
Product quality	70%	73%
Where the product is grown/produced	60%	66%

Sample base: 1,500

Awareness & Concern Regarding U.S. Tariffs & Trade Rhetoric

High Awareness, High Concern: Canadian Consumers and the U.S. Trade Relationship

Awareness of tariffs/trade restrictions between the U.S. and Canada is almost universal (98%), with higher awareness among men and seniors. Concern about the trade dispute is also high (85%), reaching 90% among seniors.

Awareness of U.S. President Trump's "51st state" suggestion is also at 98%. Concern regarding this rhetoric is high (62%), but lower than concern about tariffs.

Half of consumers view the Canadian and U.S. economies as "mostly" integrated, with 12% seeing them as "completely" integrated. However, only about one-third desire this level of integration in the future, with most preferring "slight" or no integration.

Awareness & Concern About **Tariffs**

Q. Have you heard anything about tariffs or trade restrictions between Canada and the United States?

98%

Have heard about the tariffs or trade restrictions

Sample base: 1,500

Q. How concerned are you about the impact of tariffs or trade restrictions between the United States and Canada?

85%

Are concerned about the tariffs or trade restrictions

Sample base: 1,478

Canada as the 51st State

Q. Have you heard anything about U.S. President Donald Trump's suggestions that Canada become part of the United States (i.e., as its 51st state)?

98%

Have heard about the U.S. President Donald Trump's suggestion that Canada become the 51st state

Sample base: 1,500

Q. How concerned are you about U.S. President Donald Trump's suggestions that Canada become part of the United States (i.e., as its 51st state)?

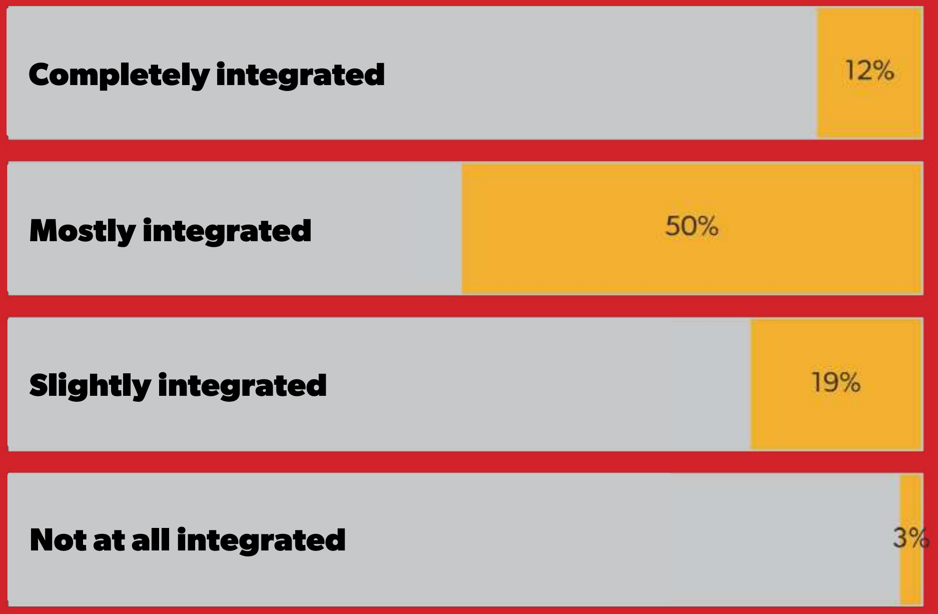
62%

Are concerned about the U.S. President Donald Trump's suggestion that Canada become the 51st state

Sample base: 1,469

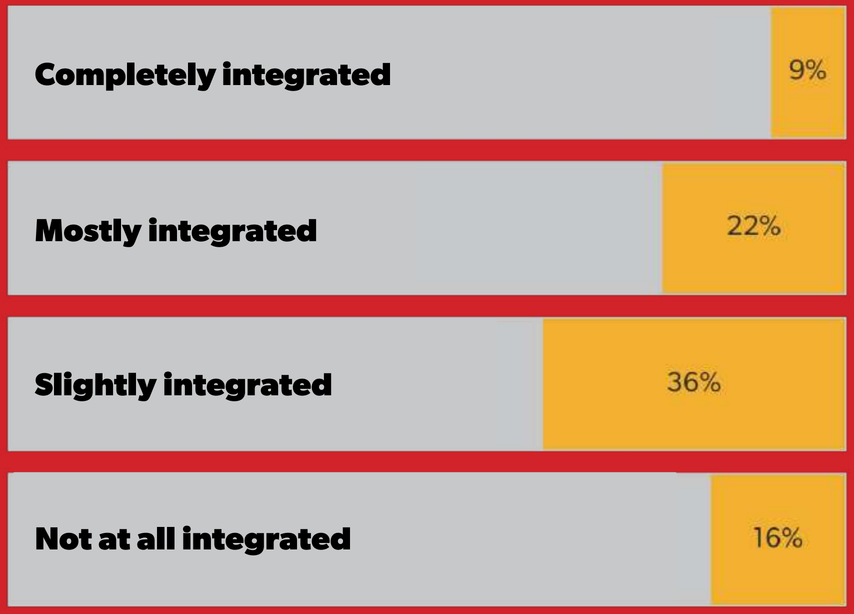
Views on **Economic Integration**

Q. Please indicate how integrated you believe the Canadian and American economies were in 2024:



Sample base: 1,500

Q. Please indicate how integrated you believe the Canadian and American economies **should be** in the future:



Sample base: 1,500

Recent Changes in Canadians Grocery Shopping Habits

Evolving Grocery Store Shopping Habits: Responding to Trade Disputes

Canadian consumers continue to adapt their grocery shopping habits, initially driven by the COVID-19 pandemic and then by inflation. This survey reveals that the U.S. trade dispute is now a significant driver of change.

43% of consumers report making significant changes to their grocery shopping habits in the two months preceding the survey, while only 18% report no changes. Ontarians are most likely to report changes (48%), and Quebeckers are least likely (36%).

The primary motivation for these changes is a desire to buy Canadian products (81%) and avoid U.S. products (76%). Seniors prioritize buying Canadian, while immigrants and those under 35 place less emphasis on it.

Buying products from one's province is more important to Quebecers (82%) and less so to Albertans (48%).

Increased Demand for Canadian Products: A Growing Trend

Two-thirds of consumers (67%) report buying more Canadian products in the past two months, including 26% who indicate buying "much more." Immigrants and lower-income consumers are less likely to have increased their purchases of Canadian products.

Consumers are most likely to report buying more Canadian produce, followed by bakery and grains, canned goods, meat/poultry/seafood, and dairy products. Alcoholic beverages are at the bottom of the list.

Half of consumers report shopping at Canadian grocery retailers more often, while 30% report shopping at U.S.-based retailers at the same frequency as before.

Changes in Grocery Shopping Habits

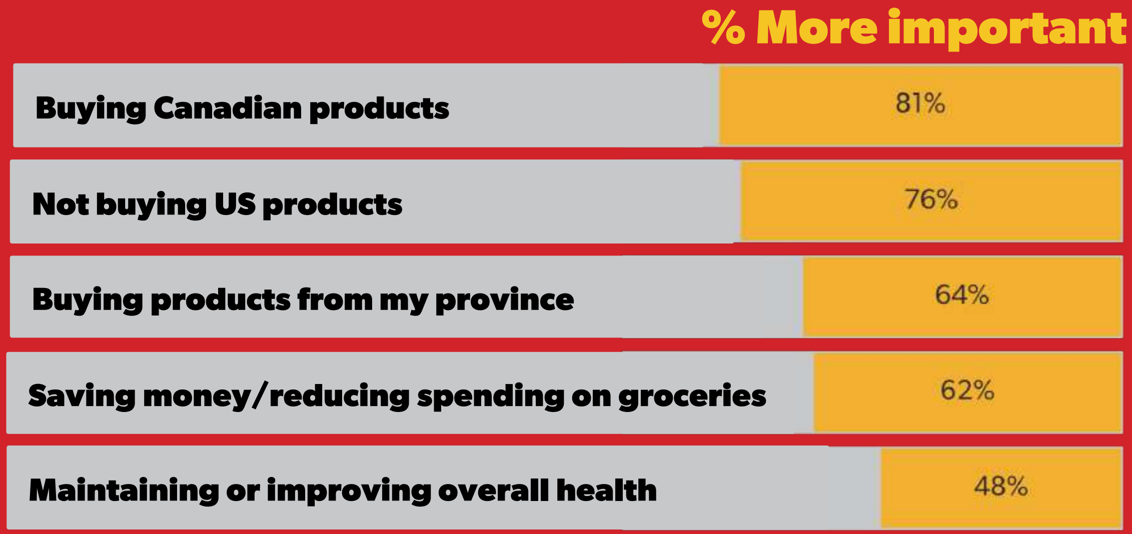
Q. How much would you say your grocery shopping habits, including the purchase of alcohol, have changed over the past two months?

43%

Say their grocery shopping habits have changed greatly over the last two months

Sample base: 1,500

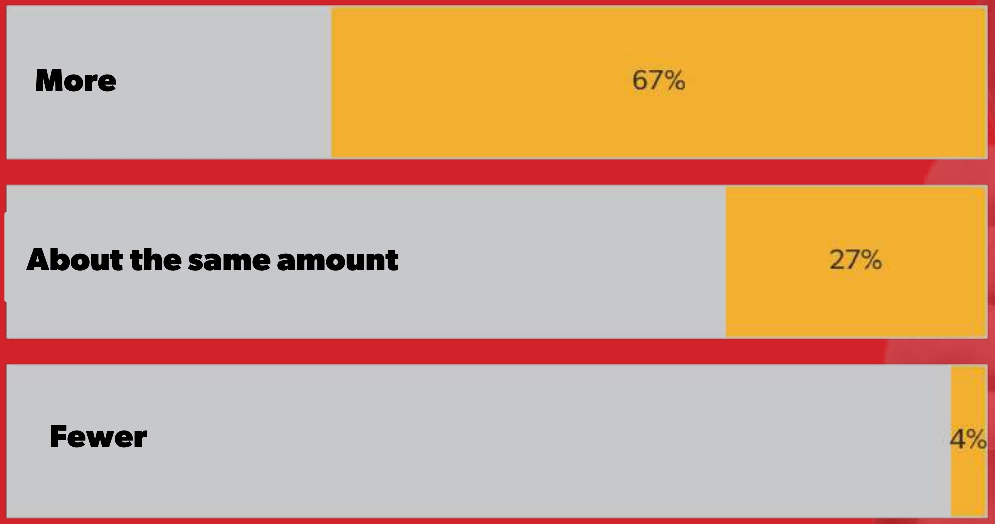
Q. Thinking about your grocery shopping decisions over the past two months, would you say the following considerations have become more important, less important, or stayed about the same?



Sample base: 1,500

Buying Canadian

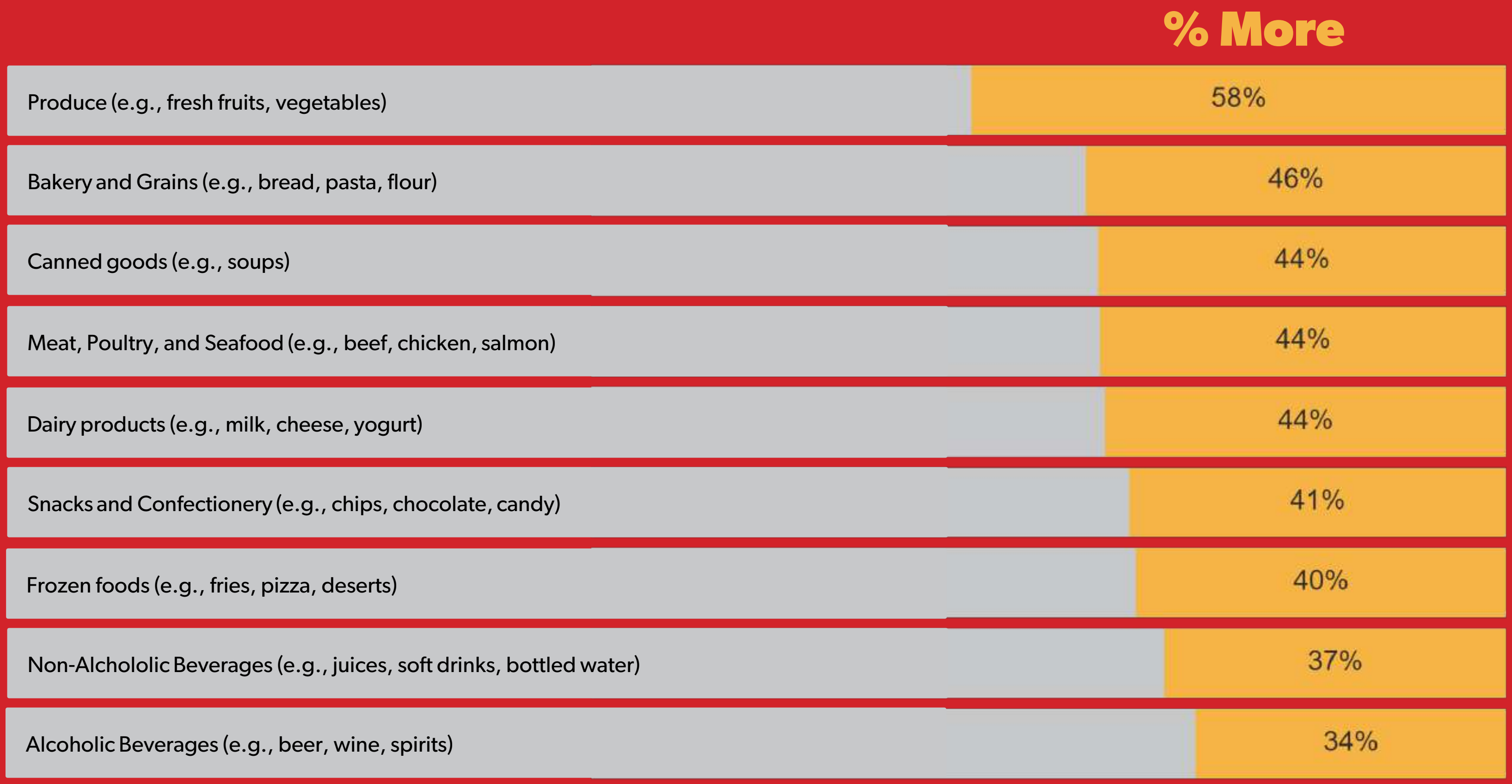
Q. Thinking about your grocery shopping decisions over the past two months, would you say you have purchased fewer, more, or about the same amount of Canadian products?



Sample base: 1,500

What **Canadians are Buying** More of

Q. Thinking about your grocery shopping decisions over the past two months, would you say you have purchased fewer, more, or about the same amount of Canadian products in each of the following categories?



Sample base: 1,005

Changes to **Where Canadians Shop**

Q. Have you changed where you shop for groceries away from U.S.-based retailers like Walmart and COSTCO towards Canadian retailers, such as Loblaws, Sobeys and Maxi?

Yes, very much	16%
Yes, a little	34%
No, I continue to shop at the same US based retailers	30%
No, because I didn't shop at US based retailers before	17%

Sample base: 1,500

Drivers & Barriers to Buying Canadian

Understanding the Drivers and Barriers to Buying Canadian

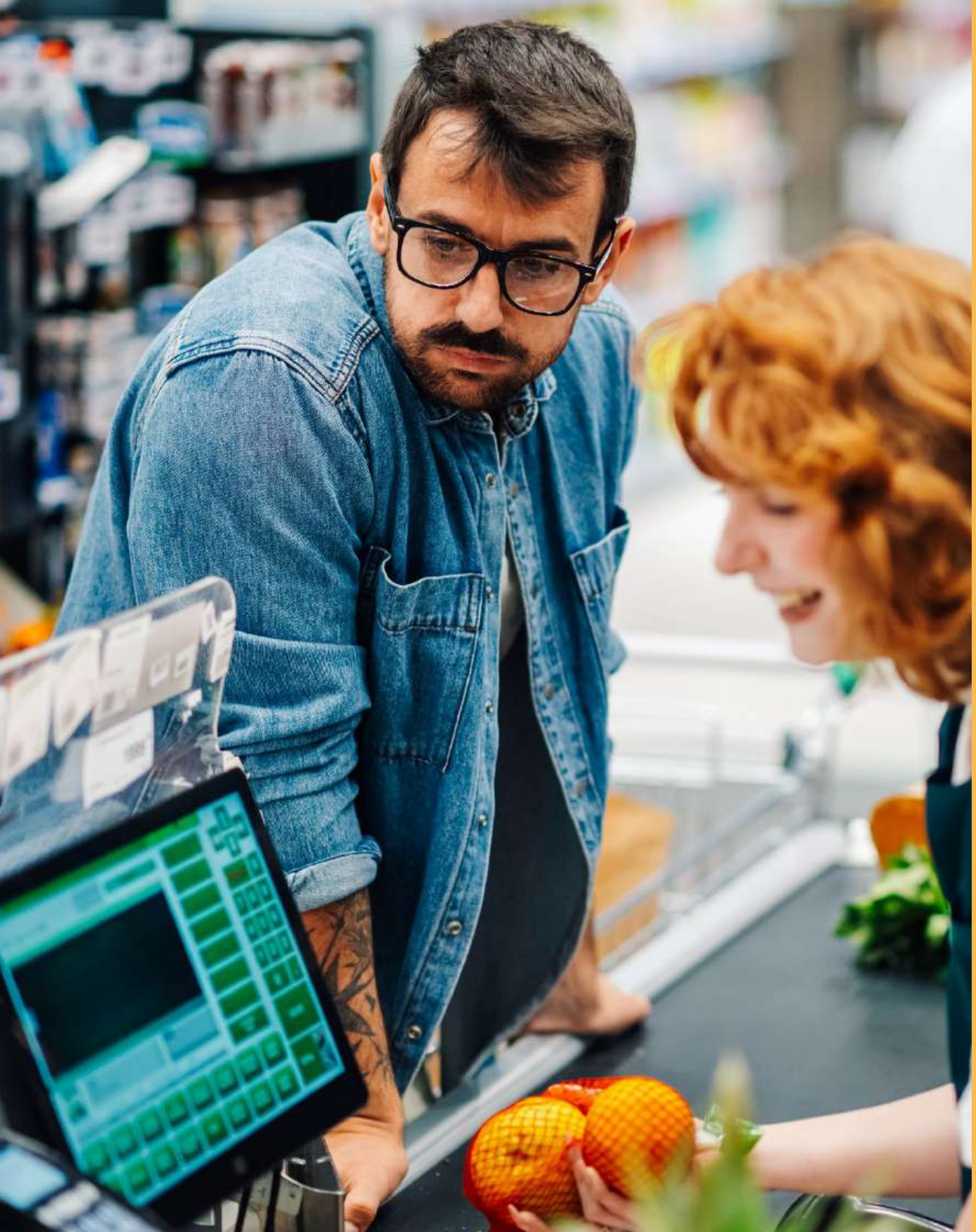
The top motivations for buying more Canadian products are the belief that it's good for the economy (86%), "anger/frustration" with the U.S. (75%), a desire to help Canadian food and beverage processors (72%), and Canadian pride (71%). Very few are motivated by a belief that Canadian products cost less.

- Women are more likely to be motivated by helping Canadian processors, while seniors are motivated by multiple factors.

The main barriers to buying more Canadian products are the perception that they are more expensive and the difficulty in identifying them.

- Forgetting to look for Canadian products is more of an issue for younger consumers.

52% of consumers who increased their purchases of Canadian products report an increase in their grocery bills, but only 5% consider the increase to be "much more expensive."



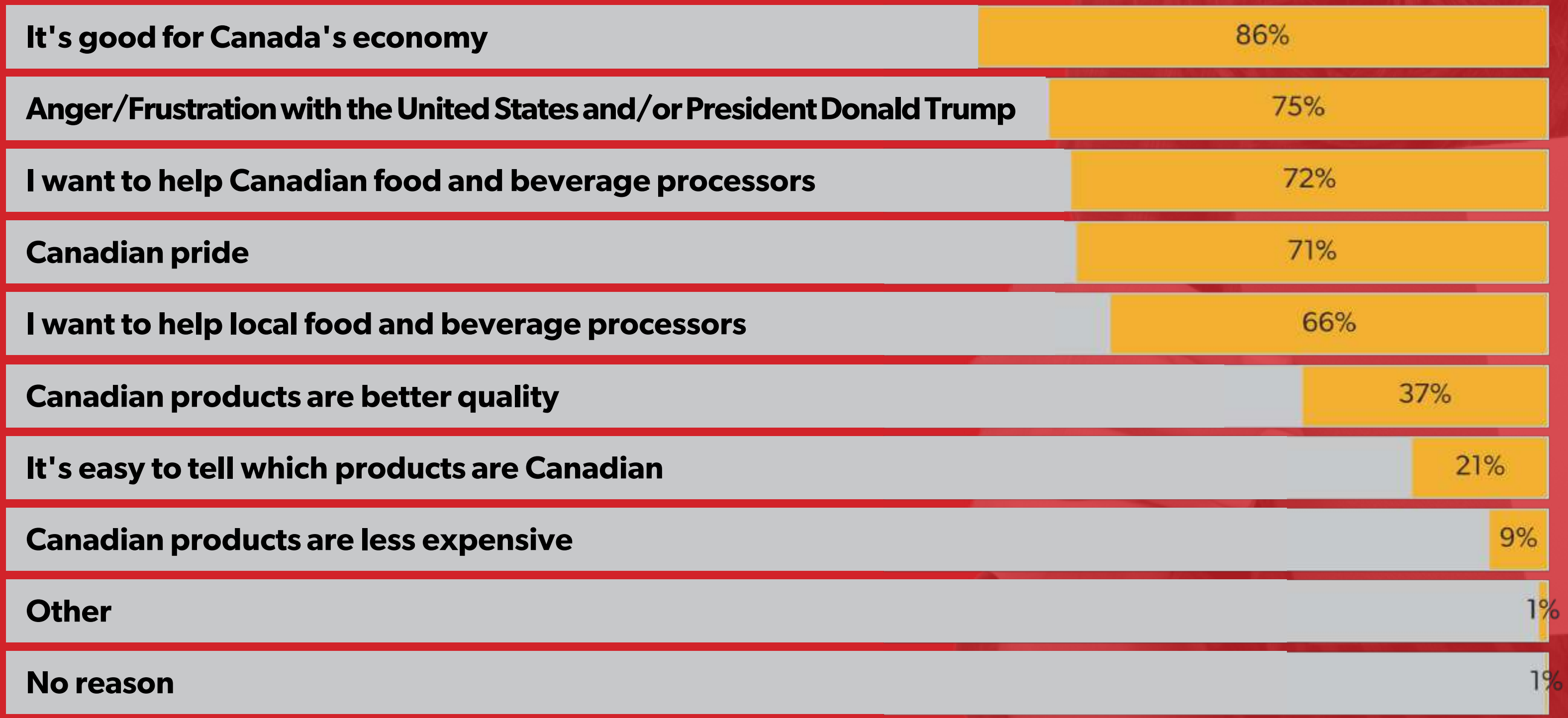
Price Sensitivity and the Desire to Support Canadian Products

While price remains a key consideration, only 24% of consumers are unwilling to pay more to substitute a comparable Canadian product for a U.S. one. 27% would pay up to 5% more, while 25% are willing to pay 6% or more. Another 20% say their willingness to pay more depends on the specific product.

- Higher-income consumers are more willing to pay more for Canadian grocery products.

Drivers of **Buying Canadian**

Q. You indicated that you have been purchasing more Canadian products when grocery shopping? Which of the following is **encouraging** you to do so (select all that apply)



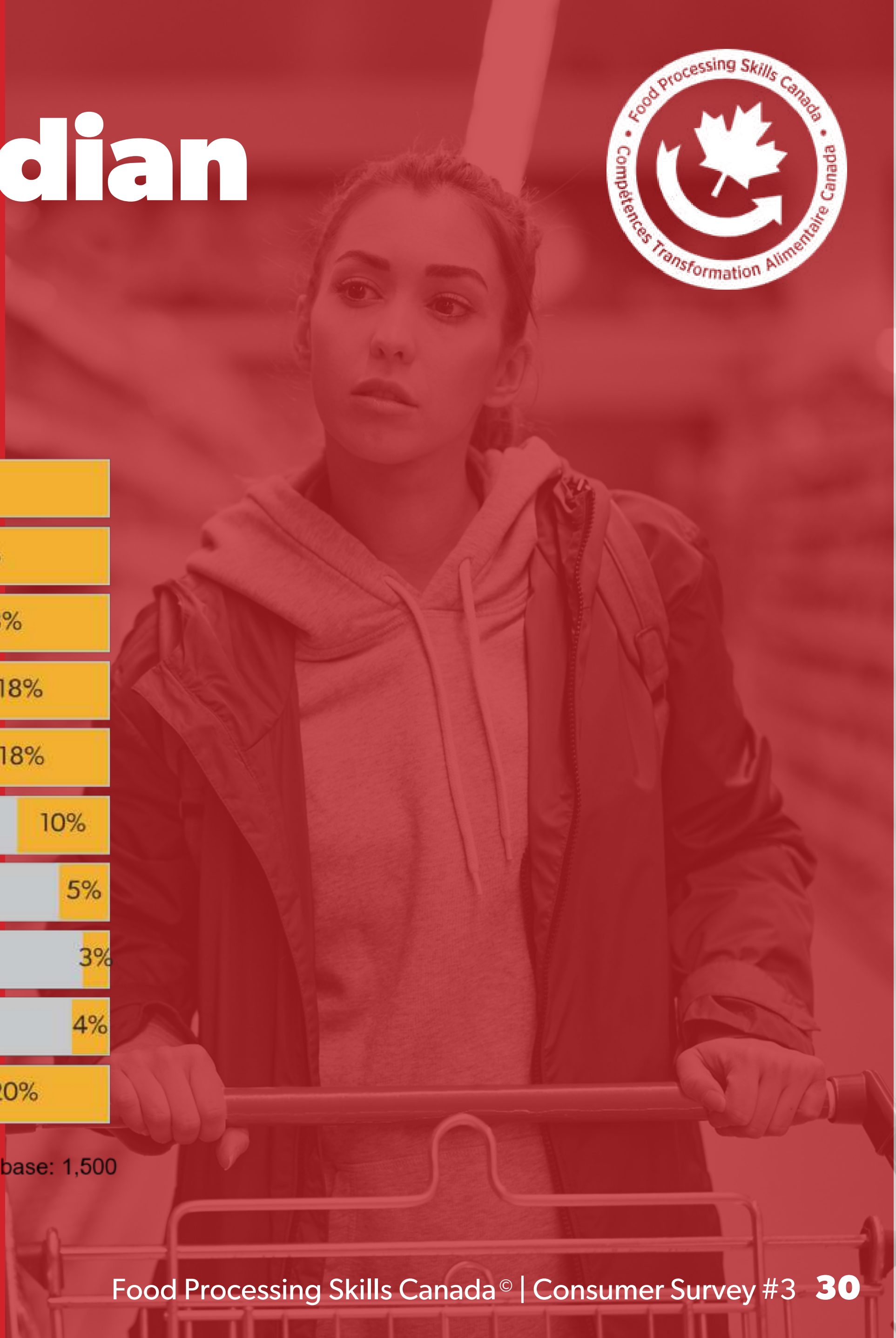
Sample base: 1,005

Barriers to **Buying Canadian**

Q. Which of the following is **discouraging** you from buying more Canadian products when grocery shopping? (select all that apply)

Canadian products are more expensive	30%
It's too hard to tell which products are Canadian	27%
I'm replacing US products with products from countries other than Canada	23%
I forget to look for Canadian products	18%
Most of the products I usually buy are not available from Canadian producers/processors	18%
I don't want to change my shopping and cooking routine	10%
I'm not concerned about US tariffs or President Donald Trump's comments	5%
Canadian products are lower quality	3%
Other	4%
No reason	20%

Sample base: 1,500



Perceived Cost of **Buying Canadian**

Q. Would you say that purchasing more Canadian products over the past two months has made your grocery bill more expensive, less expensive or has it stayed about the same?

52%

Say purchasing more Canadian products has made their grocery bill more expensive

Sample base: 1,005

Q. Considering your current purchasing habits of Canadian products, how long do you anticipate maintaining this level of purchasing (or purchasing even more)? (Select only one)

I expect this to be a permanent change	41%
As long as I can afford it	33%
Until the issues between Canada and the US that prompted this change are resolved	21%

Sample base: 1,005

Willingness to Pay More for Canadian Products

Q. Compared to a US alternative, how much more, if anything, are you willing to pay for a comparable Canadian product?

Sample base: 727

The Challenge of Identifying Canadian Products

Improving Product Identification: A Key to Unlocking Consumer Demand

Identifying Canadian products remains a significant challenge. Only 40% of consumers find it easy to determine how "Canadian" a product is. The most common method for identifying Canadian products is reading product labels (76%), followed by looking for Canadian symbols (e.g., flag) on packaging. Only 11% use mobile apps or online tools.

Only 47% of respondents correctly identified "Product of Canada" as the "most Canadian" product, highlighting a lack of understanding of labeling.

Significant room for growth exists in Canadian product purchases

48% of those who haven't increased their purchases of Canadian products want to start doing so. Difficulty identifying Canadian products is a major barrier for this group. 81% of this group would buy more Canadian products if it were easier to determine how Canadian it is.

Only 48% of consumers agree that grocery retailers have done a "good job" of making it easy to determine how Canadian a product is.

70% of all consumers say they would buy a lot more Canadian products if it was easier to determine how Canadian it is.

Identifying Canadian Products

Q. When shopping in grocery stores, how easy or difficult is it for you to get a sense of how "Canadian" a product is?

40%

Say it is easy to get a sense of how "Canadian" a product is

Sample base: 1,500

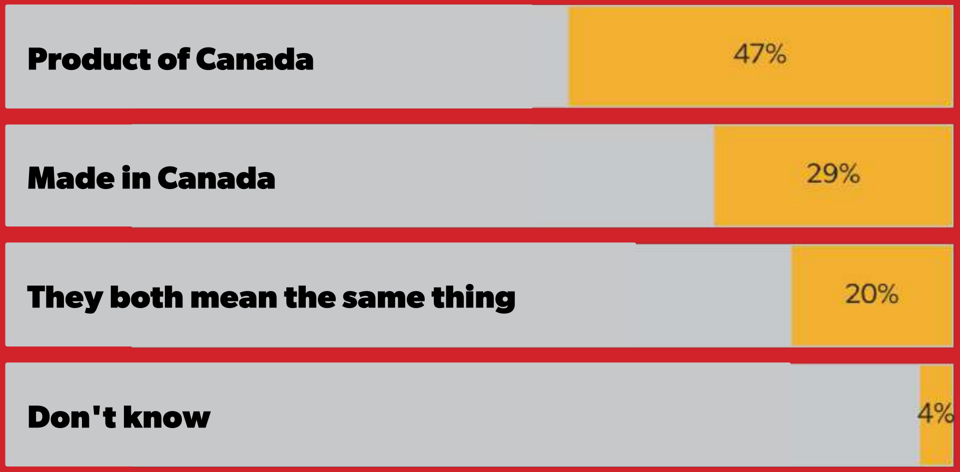
Q. Which of the following actions, if any, have you taken to determine how "Canadian" a food or beverage product is when shopping in grocery stores? (Select all that apply)

Read the product label for "Product of Canada" or "Made in Canada logos	76%
Relied on packaging or branding that features Canadian symbols	51%
Looked for signs and displays on grocery store shelves that indicate Canadian products	40%
Looked for specific Canadian ingredients listed on the label	26%
Searched online for information about the product's origin	18%
Used a mobile app or online tool to scan the product's barcode	11%
Asked a store employee for assistance	7%
Other	1%
I have not taken any specific actions to determine how Canadian a product is	11%

Sample base: 1,500

Buy Canadian Knowledge Test

Q. Imagine you are grocery shopping and want to purchase the most Canadian product based on the two logos below, which one would you choose?



Sample base: 1,500

Making it Easier to **Buy Canadian**

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

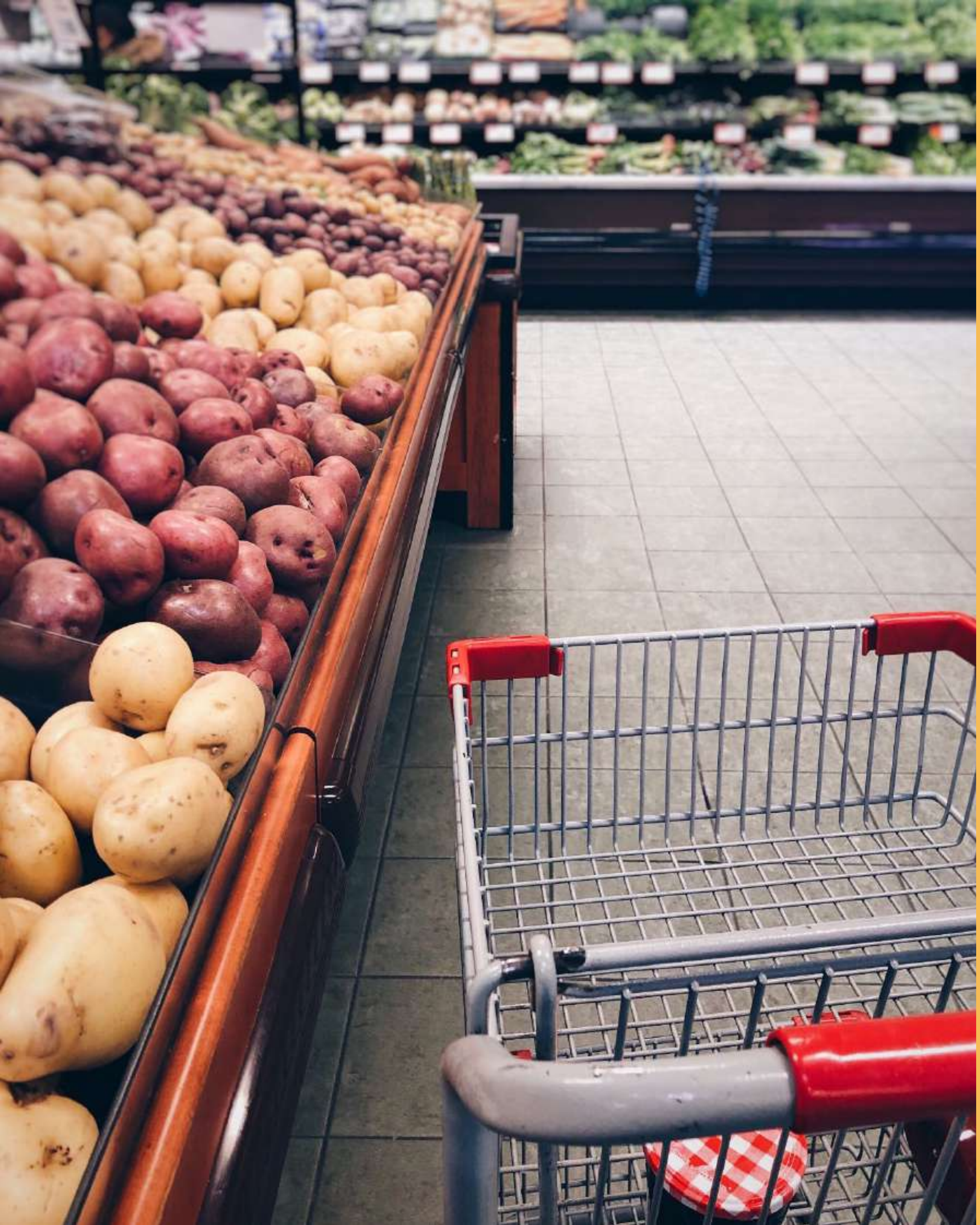
48%

Who are not currently buying more Canadian products say they want to start doing so.

Sample base: 1,500

	% Agree
I would buy a lot more Canadian products if it was easier to determine how Canadian a food or beverage product is	70%
Grocery retailers have done a good job at making it easier for me to determine how Canadian a food or beverage product is	48%

Sample base: 495-1,500



Implications for Industry

Implications for Industry Responding to Consumer Trends

Enhanced Product Labeling & Transparency:

- Consumers struggle to identify Canadian products. Clearer, more prominent "Product of Canada" and "Made in Canada" labeling is crucial.
- Consider using standardized symbols and placement on packaging.
- Explore digital solutions (QR codes, apps) to provide detailed product origin information.

Strategic Pricing & Value Communication:

- Address the perception that Canadian products are more expensive.
- Highlight the value proposition of Canadian products (quality, local economic benefits, ethical sourcing).
- Consider targeted promotions and discounts on Canadian products.

Retailer Partnerships & Shelf Placement:

- Collaborate with retailers to improve shelf placement and signage for Canadian products.
- Create dedicated "Shop Canadian" sections or displays.
- Offer training to store staff to help them answer consumer questions about product origin.

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Implications for Industry Responding to Consumer Trends

Targeted Marketing & Messaging:

- Develop marketing campaigns that emphasize the benefits of buying Canadian, appealing to consumer values (economic support, pride, quality).
- Tailor messaging to different demographics (e.g., focus on value for younger consumers, quality and local support for seniors).
- Address consumer concerns about trade disputes and the importance of supporting the Canadian economy.

Innovation & Product Development:

- Explore opportunities to develop new and innovative Canadian products that meet consumer needs and preferences.
- Highlight the unique qualities and ingredients of Canadian products.

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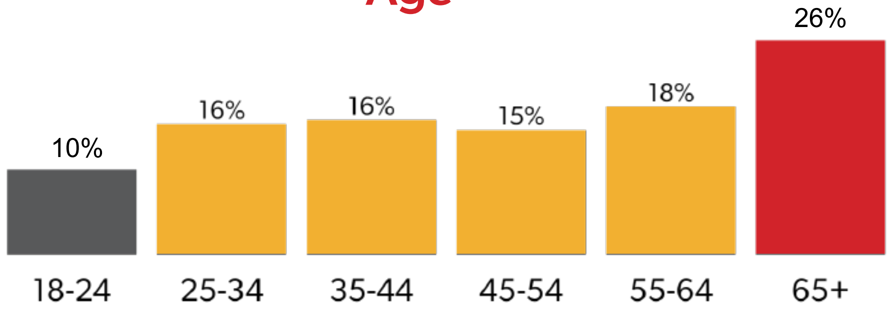
Respondent Profile

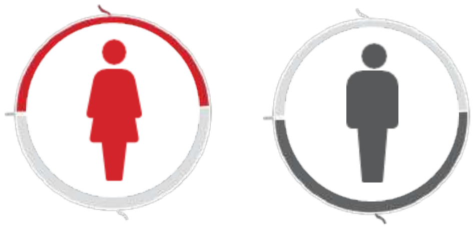
Age



Gender

51%

Women



49%

Men

Household Income

Less than $20,000	5%
$20,000 - $39,999	10%
$40,000 - $69,999	20%
$70,000 - $99,999	20%
$100,000-$119,999	11%
$120,000 - $139,999	7%
$140,000 - $169,999	8%
$170,000 or more	10%

Regions

British Columbia	14%
Alberta	11%
Saskatchewan / Manitoba	6%
Ontario	38%
Quebec	23%
Atlantic Canada	7%

Other Characteristics

Canadian Born: 78%

Parents of children < 18 years old: 24%

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