



CANADIAN PRODUCE
MARKETING ASSOCIATION

CPMA survey:

Produce Price Inflation

1,000 Canadian Grocery Shoppers

October 2023

CPMA survey:

Proposed Packaging Regulations

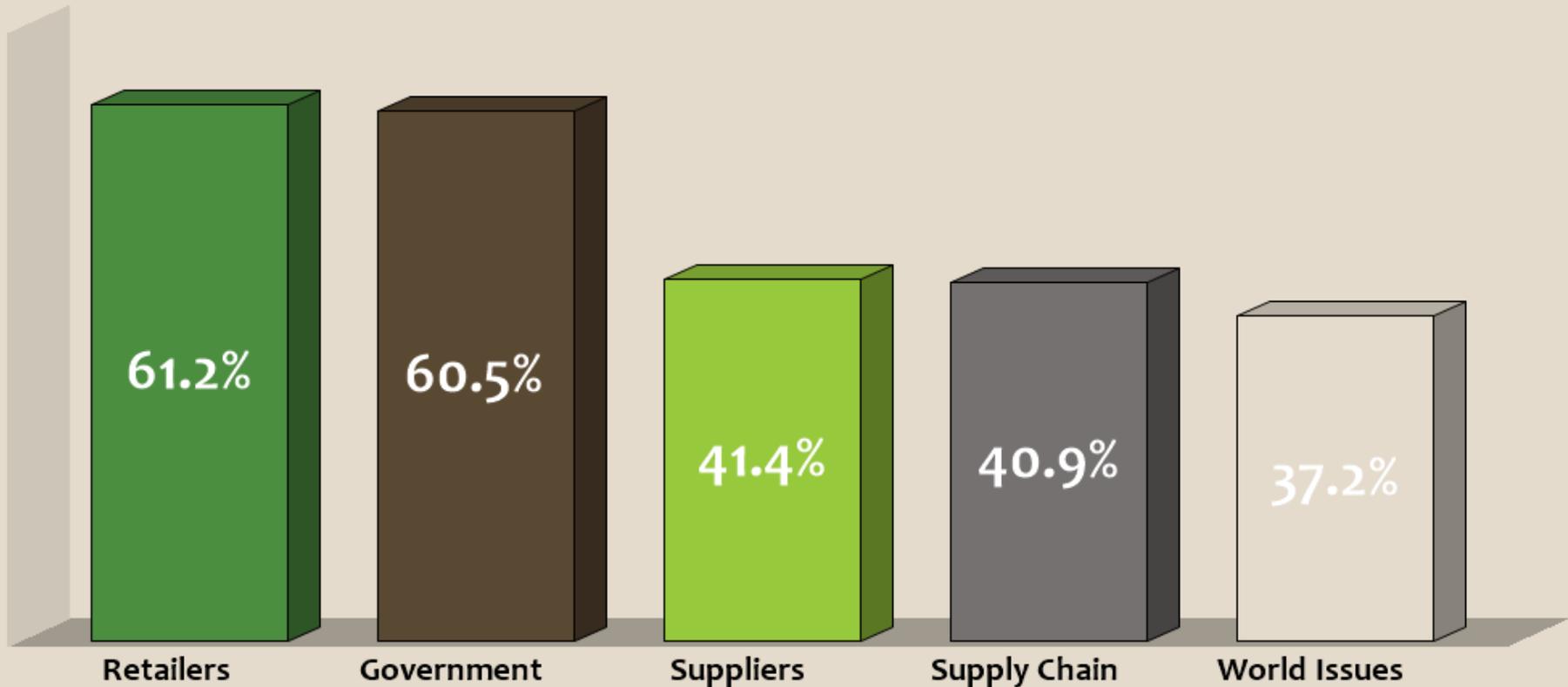
1,000 Canadian Grocery Shoppers

December 2023



**Opinions on Government
Involvement in Produce Issues**

Responsible for Current Inflationary Prices

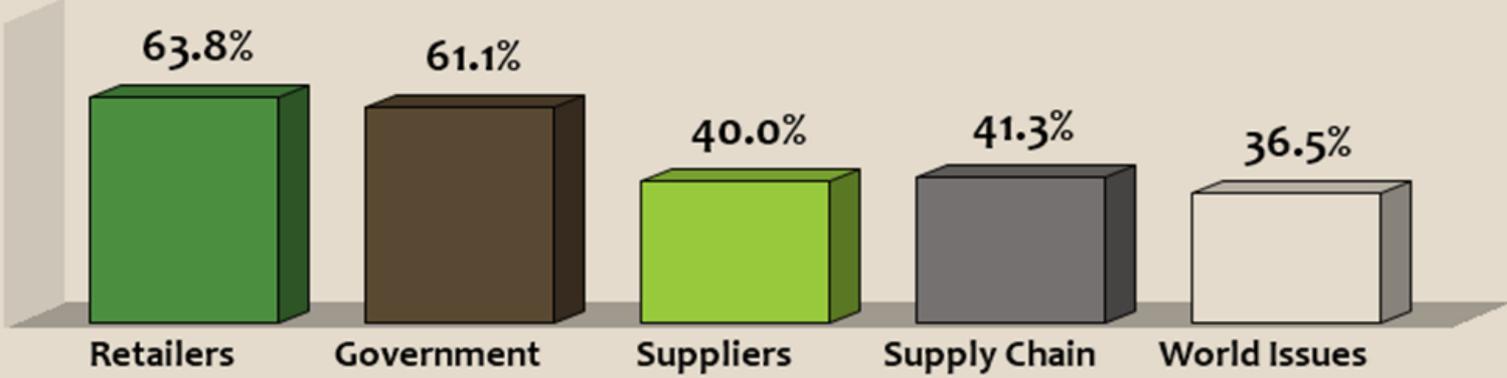


The panel was tasked with evaluating the responsibility level for each potential cause of inflation. These ranged from full responsibility to no responsibility, with an option for the panel to select "do not know." The five potential causes were ranked according to the total percentage of "All" or "Most" responses, with the panelists defining their own criteria for "Most" and "Some" responsibility. Consumers have indicated that retailers and the government should bear the greatest responsibility for inflation.

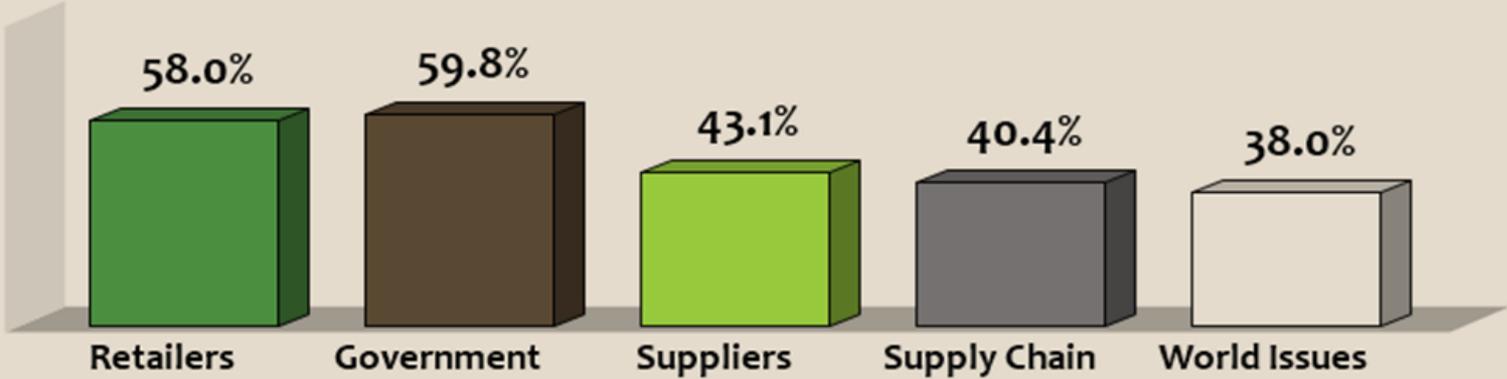
Responsible for Current Inflationary Prices

By Gender

female



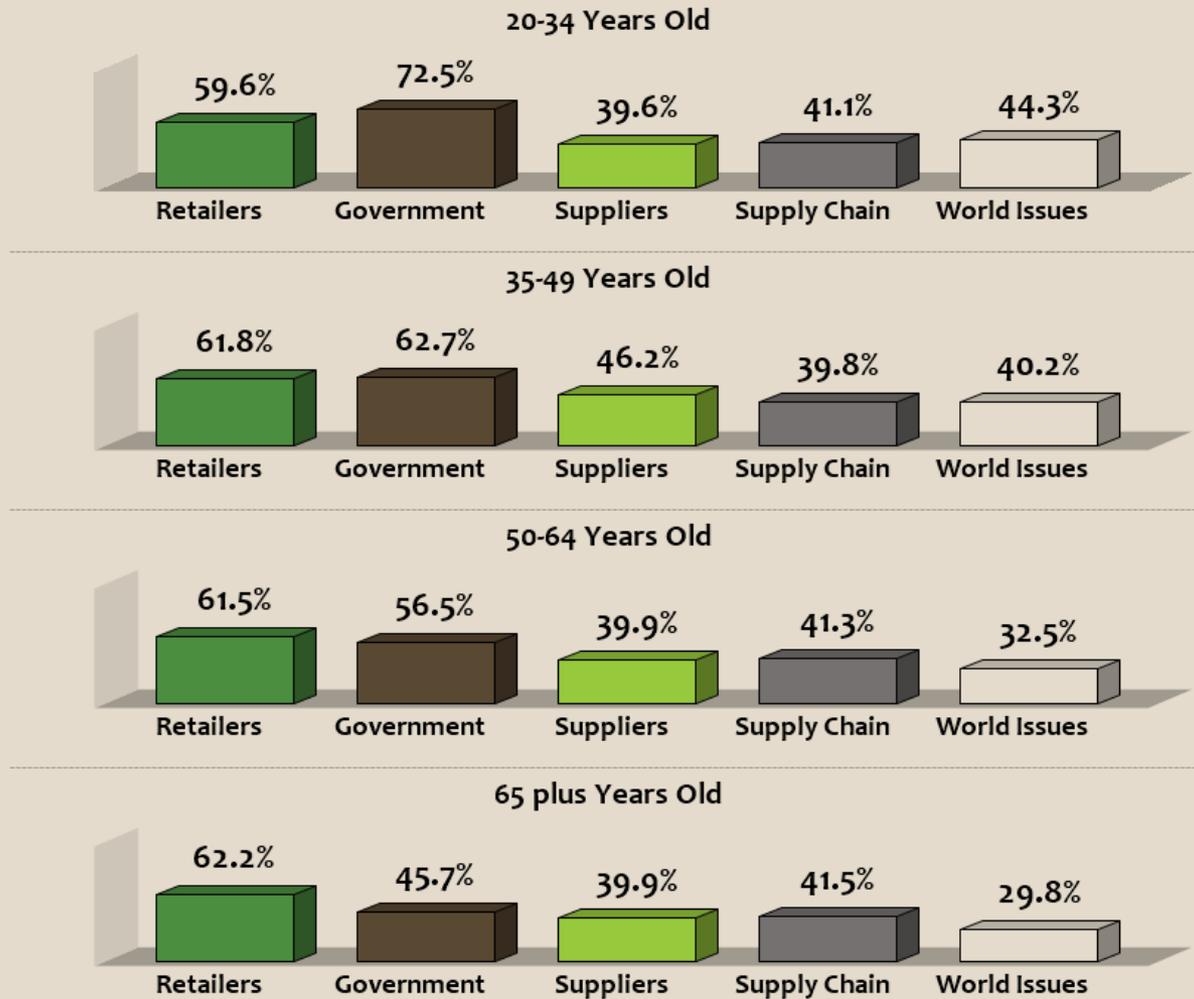
male



Women were more likely to blame retailers and the government for the current inflation, while men were more inclined to hold suppliers and global events responsible, such as the pandemic and the war in Ukraine.

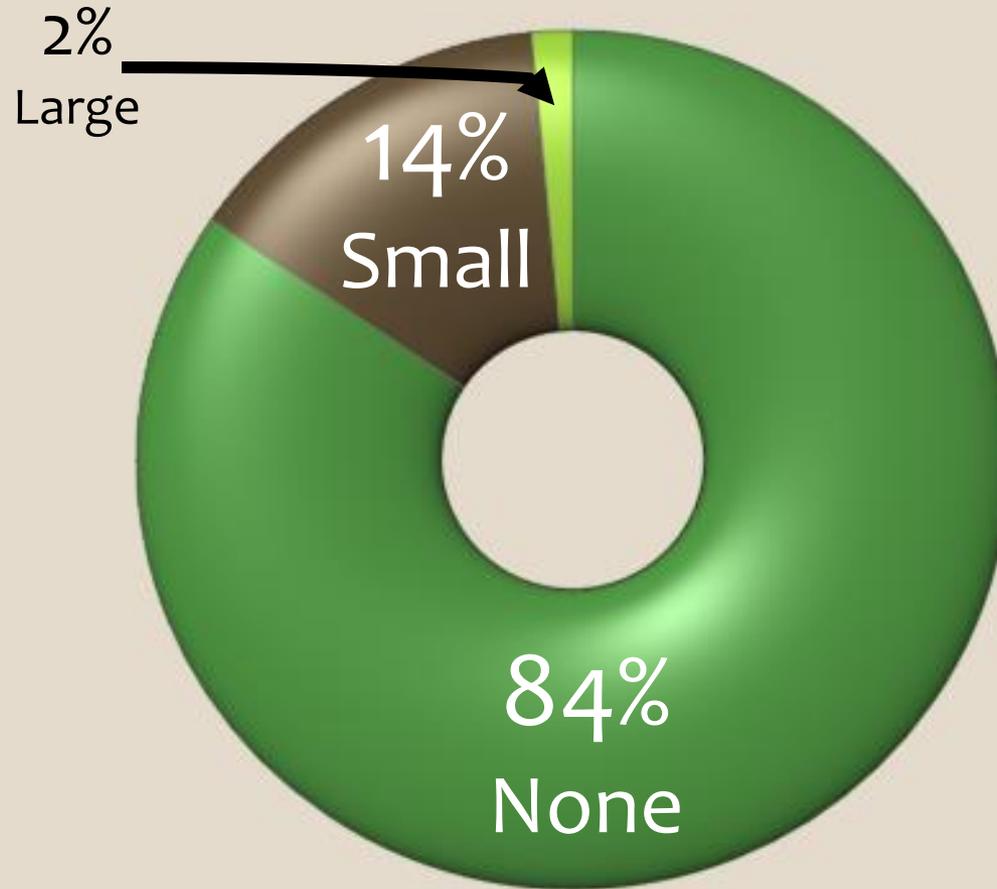
Responsible for Current Inflationary Prices

By Age Group



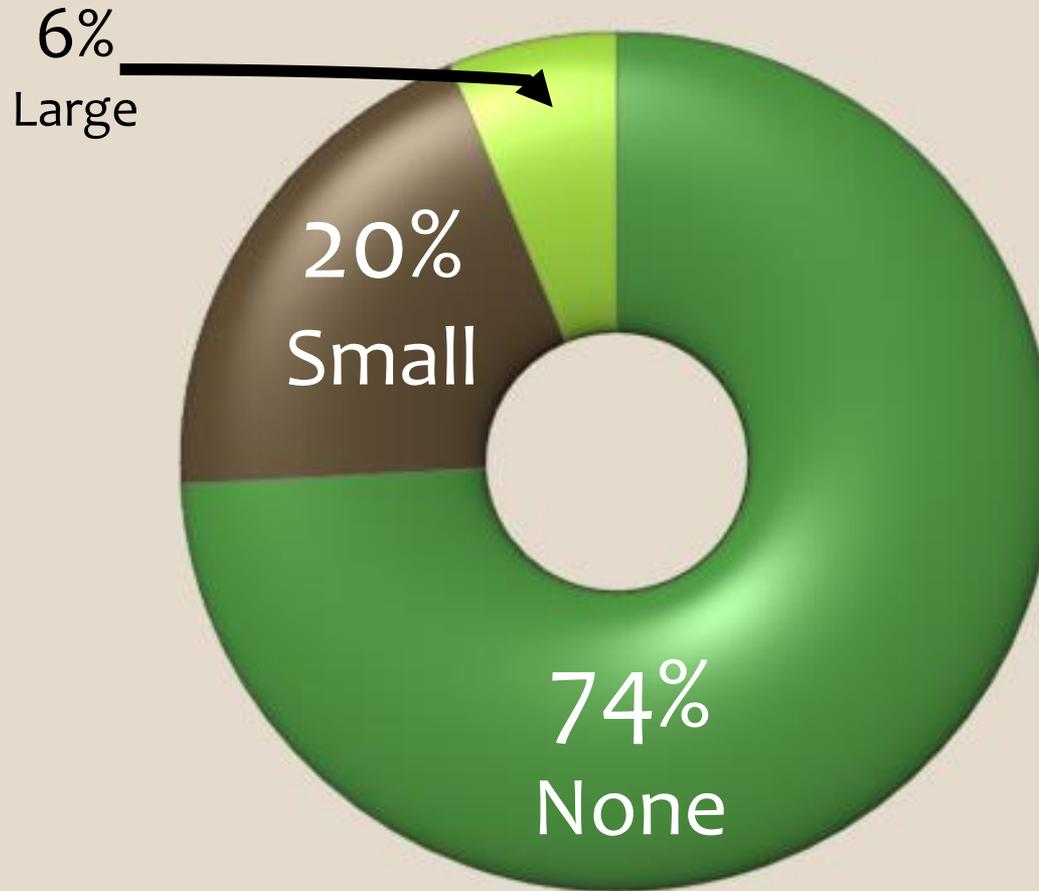
When it comes to attributing the reasons behind inflation, younger age groups tend to point fingers at the Government and geopolitical issues. This may indicate that younger generations are more prone to holding those in power accountable for the struggles of the working class, which is a somewhat concerning notion.

What Premium would you pay to implement the Proposed Plastic Reduction Regulations?



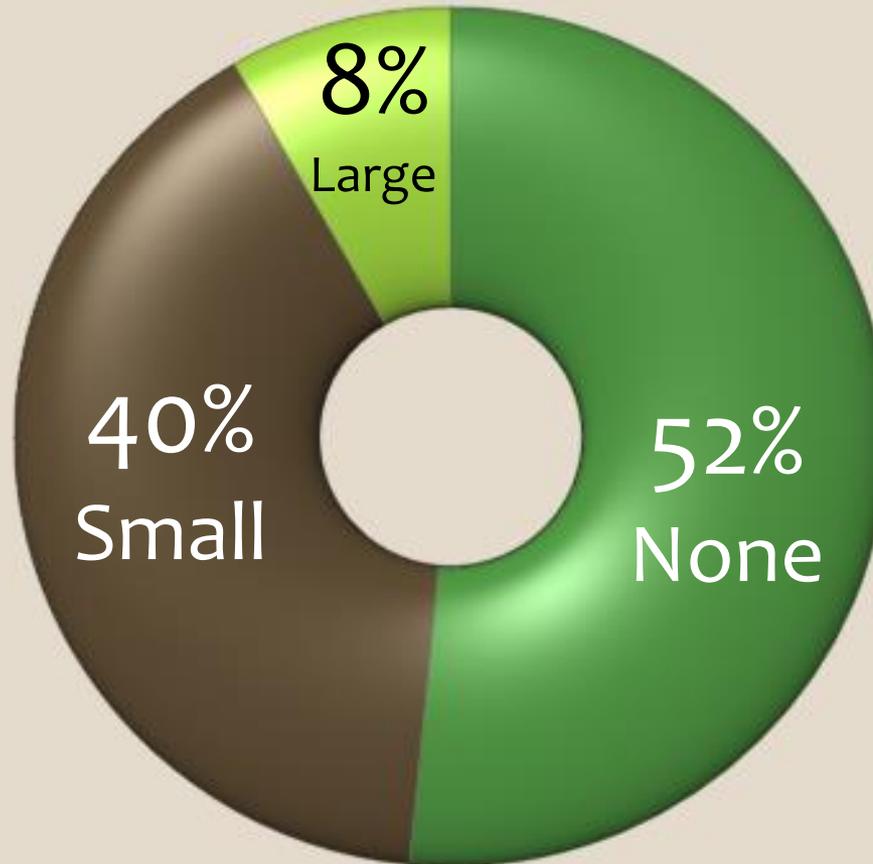
When asked if they were willing to pay more to eliminate non-compostable PLU stickers and switch to non-plastic packaging for 95% of fruit and vegetable products by 2028, the majority of consumers answered negatively or were only willing to pay a small premium. Specifically, 14% of consumers would pay a small premium, defined as less than 20%, while only 2% would pay a large premium, defined as greater than 20%.

What reduction in availability would you accept to implement the Proposed Plastic Reduction Regulations?



While some consumers may be open to losing a portion of the products offered, the majority are not willing to make such a sacrifice. In fact, nearly 75% of consumers stated that they would not be willing to give up any amount of assortment. Meanwhile, 20% of those surveyed would be willing to forgo a small amount of assortment defined as less than 20%, while only 6% would be willing to forgo a larger amount of assortment defined as over 20%.

What reduction in shelf life would you accept to implement the Proposed Plastic Reduction Regulations?



Consumers are most willing to make sacrifices on shelf life. Still, over half of the respondents reported that they would not be willing to sacrifice any shelf life, while 40% of the participants were willing to sacrifice a small amount, which was defined as between one and three days. Only 8% of the respondents were willing to make a significant sacrifice of more than three days of shelf life.



Key Takeaways

1. Canadians place the blame for current price inflation on grocery retailers and the Government.
2. Younger Canadians are more likely to place the blame on the Government or on geopolitical issues.
3. Canadian consumers have very little appetite to make sacrifices for the sake of the proposed packaging regulations.

WHAT IT ALL MEANS:

Canadians are understandably upset over inflation, with a large portion of their frustration directed towards grocery retailers. However, the government's policies are also under scrutiny.

The current discussions about new packaging regulations have sparked concerns as the predicted results include higher prices, reduced assortments, and shorter shelf lives for daily-purchased fruits and vegetables. It's vital to understand consumer expectations, especially with regard to how they would react to such widespread impacts, before implementing these regulations. Otherwise, risk disappointing Canadians once again and none more than the next generation of Canadian decision makers.