

# Program and Pricing Update

## January 2025



This monthly update includes noteworthy price increases and decreases for food and supplies. The rationale behind the noted increases and decreases is provided to educate our clients on industry trends and occurrences that may affect the pricing of our contracted products.

**Canada inflation is 2.10% for FY25 Period 3. Dairy, meat, and seafood are the main drivers; however, it is offset by a decrease in produce, bakery, and poultry.**

**Dairy:** All segments are affected. Canada dairy category inflation increased from 2.42% in FY25 period 02 up to 3.75% in FY25 period 03 which was over 130bps increased. Canada Corporate services is leading the category with the inflation rate of 4.50%. Egg is the main driver with an inflation rate of 2.83%. Egg inflation increased from -2.77% in FY25 PD 02 up to 2.83% in FY25 PD 03, which was a 560bps increase. One reason is due to the outbreaks of avian flu that have affected commercial and backyard flocks around the world. Also, chicken feed is a major cost for farmers, accounting for 70% of their operating expenses.

**Meat:** All segments are affected with Canada Energy is leading the category with the highest inflation rate of 6.23%. Canada meat category inflation increased for FY25 period 03. It increased from 3.56% in FY25 period 02 up to 4.62% in FY25 period 03, which was over 100bps increased. Cooked, cured processed is the main driver with an inflation rate of 2.62%. Cooked cured processed increased from 0.91% in FY25 PD 02 up to 2.62% in FY25 PD 03, which was over 170bps increased. This is due to weather, production, and economic factors at a time where worldwide demand is increasing, which is pushing cattle and beef prices higher.

**Seafood:** All segments are affected. Canada seafood category inflation for FY25 period 03 currently stands at -0.30%. Increased from -1.08% in FY25 period 02 up to -0.30% in FY25 period 03, which was a 70bps increase. Canada Mining is leading the category with the highest inflation rate at 0.68%. Shellfish is the main driver with an inflation rate of 1.30%. Shellfish inflation rate increased from -2.03% in FY25 PD02 up to 1.30% in FY25 PD 03, which was a 330bps increase. Demand and supply are causing the increase.

**Produce:** All segments are affected. Canada produce category inflation decreased from 0.35% in FY25 PD 02 down to -1.55% in FY25 PD 03, which was over 190bps decreased. Canada Energy is leading the category with the lowest inflation rate of -3.04%. Vegetables are the main driver with an inflation rate of -0.30%. The vegetable inflation rate decreased from 1.87% in FY25 PD 02 down to -0.30% in FY25 PD 03, which was a 200bps decrease.

**Bakery:** All segments are affected. Canada bakery category inflation decreased from 3.14% in FY25 period 02 down to 2.13% in FY25 period 03. Bakery Inflation decreased 100bps. Canada Centerplate is leading the category with the lowest inflation rate of 0.51%. Cookies are the main driver with inflation of 2.15%. Cookies inflation rate decreased from 7.79% in FY25 PD 02 down to 2.15% in FY25 PD 03, which was over 560bps decreased.

**Poultry:** All segments are affected. Canada poultry category inflation decreased from 1.23% in FY25 period 02 down to 0.93% in FY25 period 03. Poultry Inflation decreased 30bps. Canada Universities are

leading the category with the lowest inflation rate of 0.27%. Turkey is the main driver with inflation of -1.70%. Turkey inflation decreased from 1.83% in FY25 PD 02 down to -1.70% in FY25 PD 03, which was over 350bps decreased. The supply of turkey was higher compared to demand. Stocks of frozen whole turkeys were higher in 2024 than in 2022 and 2023.

## Upcoming Price Changes:

January 2025

### CDC Foods – Just Egg

Plant Based Egg: **Increase 9%**

This increase is due to rising costs of mung bean protein isolate, transportation, packaging and labour.

### General Mills (Yoplait)

Yogurt (Varies by SKU): **Increase 7%**

This is a catch-up increase as the prior CDC price increase was not implemented by this supplier. Additional drivers for this cost increase include a recalculation of cost inputs. The increase varies significantly by item as each item was priced individually.

### Original Cakerie

Cakes: **Increase 3%**

The core commodity market increase of cocoa, sugar, resin and linerboard is driving the rise in costs on these items.

### Rich Products of Canada

Pizza Dough, Baked Goods: **Increase +3%**

This increase is due to a rise in labor, energy and warehousing costs.

### Rosina Food Products Inc.

Beef: **Increase +3%**

This is due to higher beef trim costs, record USDA cattle prices for slaughter steers and minimum wage increases of nearly 6%.