

INTEREST RATE INCREASES ARE WORKING AS Q3 GDP EXPECTED TO SOFTEN

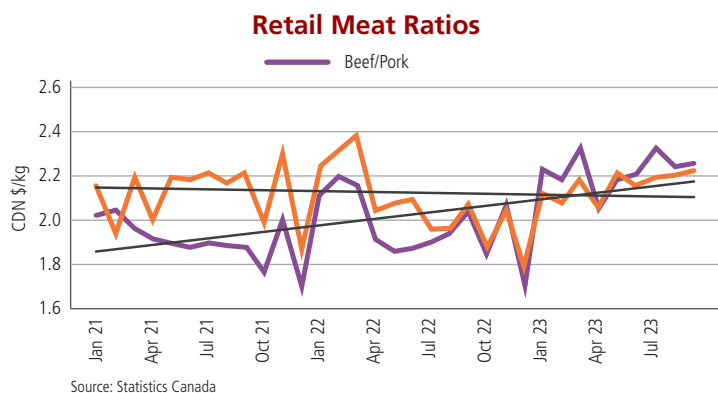
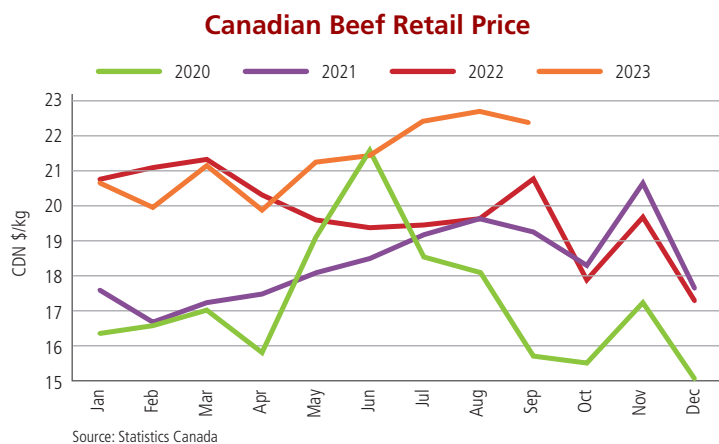
Cover story by Canfax

The Bank of Canada¹ released the results of its Third Quarter Survey of Consumer Expectations on October 16th. The number of respondents who expect a recession within the next year sits at 55%, up from 50% in the second quarter. However, workers continue to view the labour market as healthy, despite the negative outlook for the economy. Workloads have begun to come down. Fewer respondents indicated that they were working more hours per week than in the second quarter, indicating slower workplace activity. In October, the inflation rate fell to 3.1%², down 0.7% from September. Core inflation (excluding food and energy) fell 0.1% to 2.7%. The unemployment rate ticked up 0.2% to 5.7%. Preliminary data from Statistics Canada indicates that Canada may have dipped into a technical recession; official data will be released November 30th.

After moving sideways throughout the second quarter, at 8.3%, food inflation in Canada declined in the third quarter, averaging 6.8%. In October, food inflation stood at 5.6%; food isn't getting less expensive, it's getting more expensive but at a slower rate. Lower production is keeping prices high. Geopolitical factors are also at play, after three years China has removed tariffs on Australian barley. This should moderate export demand for Canadian feed and malt barley, easing prices and cost of gain for animal proteins. The ongoing uncertainty of future consumer demand and adjustments to supply projections have contributed to volatility in the futures markets in November. Labour shortages are a key factor in the availability and price of food. Higher wages are supporting consumer demand.


Statistics Canada reported that the average retail beef price in September was \$22.20/kg, a slight 1.5% decline from the most recent all-time high set in August. However, retail prices were still 7% higher than September 2022 and 28% higher than the five-year average for September. Retail beef prices ran counter seasonally higher in July and August, before easing in September. US research using 2014 peak retail prices, indicated that beef price changes at the high end of the price distribution have a smaller impact on quantity than price changes at lower price levels. In addition, there was less substitution between meats at higher prices than at lower prices. This appears to be a result of shifting to a high-income consumer as low-income consumers substitute with alternatives.

Price ratios are an important component of pricing at the meat counter. Beef can easily be substituted for pork or chicken in consumers' grocery carts if consumers feel that the price of beef relative to either pork or chicken is too high. However, as long as price ratios remain at or near historical levels, consumers tend to shift within the meat category, rather than between categories. In the third quarter of 2023, price ratios were wider than the historical average. Consumer confidence surrounding the preparation of beef is higher post-pandemic and the likelihood of switching between meat categories for reasons other than financial appears to be decreasing.



1 Bank of Canada "Canadian Survey of Consumer Expectations – Second Quarter of 2023" <https://www.bankofcanada.ca/2023/06/canadian-survey-of-consumer-expectations-second-quarter-of-2023/>
 2 Trading Economics "Canadian Inflation Rate" <https://tradingeconomics.com/canada/inflation-cpi>

CONTACT US



SHELBY VANSICKLE
Senior Director, Channel Marketing
svansickle@canadabeef.ca

CANADA BEEF DEVELOPS IMPLEMENTATION SUPPORT TOOL FOR FOP NUTRITION SYMBOL LABELLING

On July 20, 2022, Health Canada published regulations that amend the Food and Drug Regulations (FDR). The new regulations mandate front-of-package (FOP) nutrition symbol labelling for most prepackaged products that contain nutrients of public health concern (saturated fats, sugars, and/or sodium) at or above specified thresholds:

- The thresholds are based on the Daily Values (DVs) for each nutrient of concern: saturated fat, sugars, and/or sodium.
- For most prepackaged products, a symbol must appear on the label when the amount of saturated fat, sugars and/or sodium is equal to or greater than 15% of the applicable DV.
- The % DV must be calculated using the amount of nutrient by weight, per serving size OR per reference amount, whichever is greater, in the food as sold.
- The % DV must be calculated using the applicable age-specific DVs.

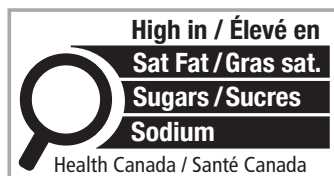
Unless exempt, food products that meet or exceed the thresholds for saturated fat, sugars or sodium will be required to carry the new FOP symbol.

Which Beef Products Are Affected, and Which Are Exempt?

To date, the following beef products have been granted a conditional exemption and do not have to carry the FOP nutrition symbol:

- Raw, single-ingredient whole cuts of beef that do not carry a Nutrition Facts table (NfT).
- Raw, single-ingredient ground beef, including Extra Lean, Lean, Medium, and Regular.

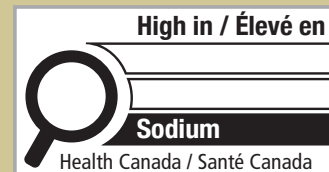
On the contrary, prepackaged prepared meat, which is not a single-ingredient meat product, is not exempt from FOP labelling. It must carry a “high in” symbol if the product meets or exceeds the specified saturated fat, sugars, and/or sodium thresholds. Health Canada’s black-and-white FOP nutrition symbol has specific requirements for the symbol’s appearance, including its size, location, and language.



Sample Format
Met or exceeded threshold for one nutrient of concern

EXAMPLE FOR MONTREAL SMOKED MEAT, EXTRA LEAN

Nutrition Facts Valeur nutritive	
Per 55 g pour 55 g	
Calories 60	% Daily Value* % valeur quotidienne*
Fat / Lipides 1 g	1 %
Saturated / saturés 0.5 g	3 %
+ Trans / trans 0 g	
Carbohydrate / Glucides 2 g	
Fibre / Fibres 0 g	0 %
Sugars / Sucres 0 g	0 %
Protein / Protéines 11 g	
Cholesterol / Cholestérol 25 mg	
Sodium 650 mg	28 %
Potassium 125 mg	3 %
Calcium 0mg	0 %
Iron / Fer 1 mg	6 %
*5 % or less is a little, 15 % or more is a lot *5 % ou moins c'est peu, 15 % ou plus c'est beaucoup	



Because the Sodium content is 28% DV (ie., above the 15% threshold) this product would have to carry a High in Sodium FOP nutrition symbol. Since the % DVs for saturated fat and sugars fall below the 15% DV thresholds, these would not be included on the FOP symbol on this product.

How Can Your Organization Prepare for the Compliance Date?

Canada Beef has developed an implementation support tool further outlining Front-Of-Package Nutrition Symbol Labelling Regulations in Canada and how

beef products sold within Canada will be affected. If you would like to learn more to help support your organization in developing a plan before the January 1, 2026 compliance date, please click [here](#)