

QUARTERLY RETAIL MARKET INTELLIGENCE REPORT

MAY 2025



Cover story by Canfax

Mixed Signals

The Canadian economy grew at an annualized rate of 2.2% in the first quarter of 2025, well above Bank of Canada estimates. According to CBC, US companies looked to secure additional stockpiles prior to the April 2nd tariff deadline, driving Canada's GDP higher. At their June 4th meeting, the Bank of Canada officials opted to keep the key interest rate steady. Possible headwinds surrounding economic growth and higher inflation expectations, both impacted by recent US foreign policy, factored into the decision.

The annual inflation rate was 1.7% in April, growing at its slowest rate since September 2024. The elimination of the carbon tax by Prime Minister Mark Carney was cited as a major contributing factor. The unemployment rate climbed to 6.9% in April, back to levels seen in November 2024 and is the highest since September 2021. The chief economist at the Bank of Montreal noted that tariffs were beginning to take hold on Canadian employment levels.

Competing Meat Price Ratios Record High

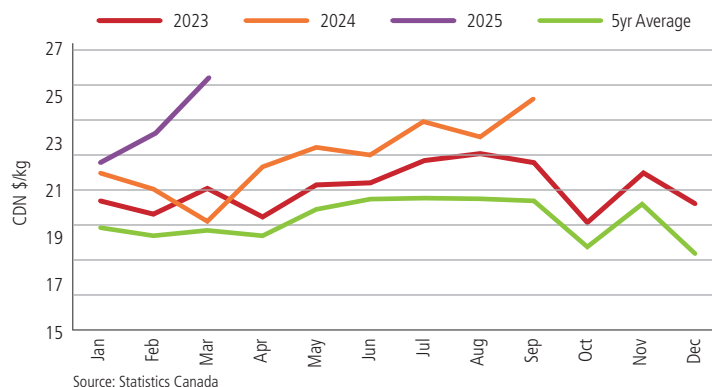
Canadian retail beef prices (average of five cuts) spiked in March, to \$25.85/kg. Retail beef prices are 31% higher than last year and 34% above the five-year average, establishing a new all-time record high. On a deflated basis, retail beef prices in 2024 were 3% higher than 2023 and 10% above the Covid peak of \$12.57/kg. The retail beef demand index (2000=100) was 124 in 2024, up 1.8% from 2023 to be the third highest since 1988.

Retail prices increased for all beef cuts, with high quality beef cuts (striploin, top sirloin, and rib) up 19-64%. Stewing beef and ground beef were 16-19% higher year-over-year in April.

Both retail pork (-7%) and chicken (-2%) prices declined year-over-year in March, which pushed retail price ratios record wide. The beef-to-pork ratio was 2.74:1 with the beef-to-chicken ratio at 2.80:1.

The amount of beef that could be purchased for every hour worked also took a hit, as retail beef prices increased faster than wages. In March 2025, 3.07 pounds of beef could be purchased per hour worked, the smallest amount since the data series began in 2017. Demand destruction remains a concern when beef prices are record high.

Canadian Retail Beef Price



Domestic Beef Supplies Down

Year-to-date domestic beef production (to the week ending May 24th) was down 9% from the same period last year to 1.01 billion pounds (458,000 tonnes). Declines were noted in both fed production (for steaks and roasts), down 9% and non-fed production (for ground beef), down 8%.

First quarter 2025 beef and veal exports were down 9% from the first quarter of 2024 while imports were up 22%. It's important to remember that as domestic production declines, larger imports help to keep beef on the centre of the plate and support beef market share.

Total Consumption Climbs; Per Capita Consumption Falls

Statistics Canada moved to publishing food availability data every other year beginning with 2025, rather than publishing annually. Estimates for 2024 were developed by Canfax and were reviewed by Statistics Canada.

Total beef consumption climbed 1.7% in 2024 on largely steady supplies, smaller exports and larger imports. However, population growth outpaced total beef supplies and per capita consumption fell 1.7% to just under 16 kg/person. Beef market share increased in 2024 at the expense of pork.

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MARKET INTELLIGENCE



Show Us Your Proudly Canadian Meat Counter for a **Chance to Win**

Can your meat department or butcher shop develop new and creative ways to promote the Canadian origin of your beef and the importance of buying Canadian? If so, show us how proud you are to be Canadian for a chance to win valuable prizes and recognition!



Contest Parameters

- Contest starts on March 28, 2025 with entries accepted until June 23, 2025.
- Please make sure you ask permission from your store to enter the contest.
- To enter, send your photographs and/or video of your most creative promotional efforts that showcase the Canadian origin of your beef to retailchannelmarketing@canadabeef.ca
- If you would like to, tell us about your meat department in 500 words or less.
- The grand prize winner will be announced on June 30, 2025.

For more contest details, including the complete rules and regulations,
please visit **cdnbeefperforms.ca/proudlycanadian**

*Canada Beef's Contest will be conducted in Canada (excluding Quebec) from March 28, 2025 10:00 AM MT to June 23, 2025 11:59 PM MT. Enter the contest by emailing retailchannelmarketing@canadabeef.ca with a photo or video showcasing your grocery store's promotion of Canadian beef in the grocery store's meat department. Open to legal residents of Canada (excluding Quebec) who have reached the age of majority in their province/territory of residence and who are employees/personnel of a grocery store located in Canada. One (1) Grand Prize of \$5,000 CAD cash or prize of equivalent value available to be won. Odds of winning depend on the total number of eligible entries received. Winning entry will be evaluated based on creativity, execution, and perceived impact on customer awareness. Judging will be completed on or before June 30, 2025. Winner must correctly answer a mathematical skill-testing question. No purchase necessary. For full Contest Rules visit www.cdnbeefperforms.ca/proudlycanadian. Contest not sponsored, endorsed, or administered by, or associated with any grocery store.