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Quarterly Retail Report

Canada's headline annual inflation accelerated slightly in December, impacted by last year's GST holiday. The unemployment rate edged higher, though this was seen as good news. Retail beef prices spiked to record high levels in November. On the political front, Prime Minister Carney announced an increase in rebate cheques for lower-income consumers as they navigate elevated grocery prices. As of January 2026, Canadian beef once again has access to the Chinese market.

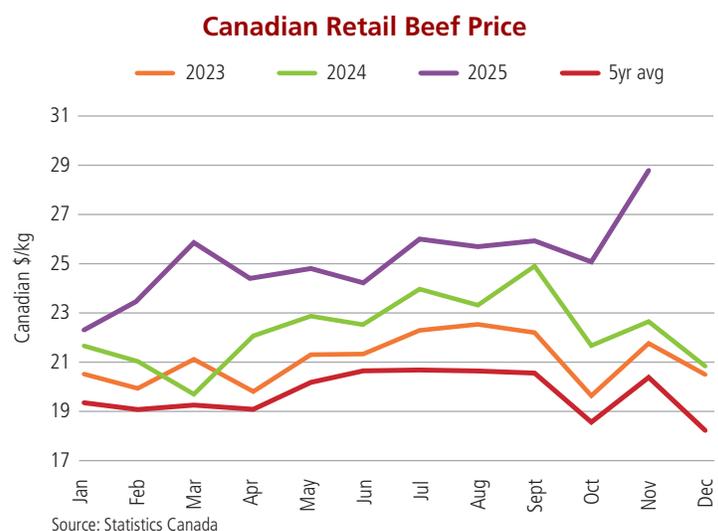
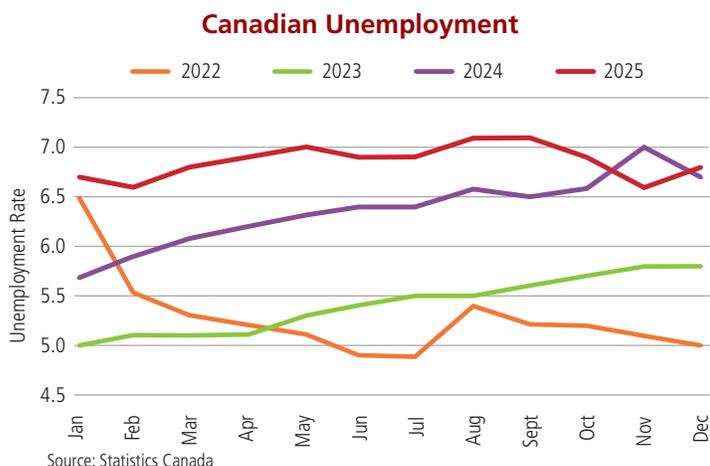
Macroeconomics Scan

Canada's annual inflation rate has been relatively stable, between two and three percent since September, and was 2.4% in December.¹ It should be remembered that the Canadian government introduced a 60-day reprieve on the GST portion of grocery bills aimed at reducing grocery prices through the first half of February 2025. This will impact baseline effects through February 2026. Closely watched by the Bank of Canada, Canada's annual core inflation rate was 2.8% in December and has been above 2.5% since April.² The Canadian unemployment rate ticked higher in December to 6.8% as more Canadians looked for work. Despite the increase in the unemployment rate, one of Canada's Big Six bank economists views the fact that more people looking for work is a positive development as Canadians' feel some optimism in their employment prospects.³ The Bank of Canada (BoC) made the first of eight interest rate decisions on January 28th. As expected, the BoC left the overnight rate unchanged at 2.25%. Forecasters are anticipating the BoC to leave interest rates unchanged in 2026.⁴

Retail Beef Landscape

Retail beef prices shot to \$28.74/kg in November, up 27% from last year and up 41% from the five-year average. Price ratios moved to be record wide. In November, only 2.83 lbs of beef could be purchased for every hour worked, the smallest amount for any month going back to 2017 as retail beef inflation continues to outpace wage inflation.

On January 26th, Prime Minister Carney announced a 25% increase to the quarterly GST credit (now referred to as the Canada Groceries and Essentials benefit) to help lower-income consumers better face the high cost of groceries, beginning in July 2026.⁵ In his announcement, the Prime Minister noted that after-effects from Covid, supply chain shocks from the U.S. trade war, and climate change all contributed to Canadians every-day essentials being too high.⁶ Currently, this larger rebate is expected to be temporary, lasting the next five years.



LEARN MORE ABOUT THE CANADIAN BEEF ADVANTAGE

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Domestic Beef Production Lower in 2025

In 2025, domestic beef production was down 3%. Youthful production for steaks and roasts was down 3% with mature production for lean trim and burgers was down 2%. Regionally, beef production was smaller in the west and larger in the east. However, year-over-year comparisons in the east were skewed due to the Cargill Guelph packing plant shutdown for six weeks in 2024. Imports continue to be critical for net supplies, as the Canadian cattle herd moves through its tightest numbers. However, there is risk that lower quality imports could contribute to demand erosion through differences in cut quality, if the imported beef is materially different from what consumers are familiar with.

Trade and Market Access

On January 19th, the resumption of Canadian beef exports to China was announced after being shut out for four years due to an atypical case of BSE.⁷ In 2021, China was Canada's third largest beef export market, at \$193 million. Prime Minister Carney and Chinese President Xi Jinping also agreed to lower tariffs on Chinese electric vehicles, Canadian canola seed/meal, peas and other products.⁸

President Trump responded to the Canada-China news with tariff threats of 100% on all Canadian exports to the U.S. if Canada signs a trade agreement with China.⁹ Prime Minister Carney's has clarified that the purpose was to address issues with Chinese access for Canadian agricultural products that have arisen in recent years. A wider trade agreement is not on the table.

Sources:

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- (2) Canada Core Inflation Rate. Trading Economics. <https://tradingeconomics.com/canada/core-inflation-rate>
- (3) Canadian economy added 8,200 jobs in December, while unemployment rose to 6.8%. CBC News. <https://www.cbc.ca/news/business/job-numbers-dec-2025-9.7039303>
- (4) Why the Bank of Canada could keep its key rate steady this week, and possibly the rest of the year. CTV News. <https://www.ctvnews.ca/business/article/bank-of-canada-expected-to-keep-key-rate-steady-this-week-and-maybe-all-year-long/>
- (5) Prime Minister Carney announces new measures to make groceries and other essentials more affordable for Canadians. Prime Minister of Canada. <https://www.pm.gc.ca/en/news/news-releases/2026/01/26/prime-minister-carney-announces-new-measures-make-groceries-and-other>
- (6) Carney announces GST rebate boost to counter high cost of groceries. The Canadian Press. https://www.thecanadianpressnews.ca/business/carney-announces-gst-rebate-boost-to-counter-high-cost-of-groceries/article_c42e7dbf-0985-5654-83e4-3f10034d11ee.html
- (7) Beef Producers Welcome Renewed Market Access into China. Canadian Cattle Association. <https://www.cattle.ca/beef-producers-welcome-renewed-market-access-into-china>
- (8) Backgrounder - Preliminary Agreement-In-Principle to Address Economic and Trade Issues between Canada and the People's Republic of China. Government of Canada. <https://www.international.gc.ca/news-nouvelles/2026/2026-01-16-china-chine.aspx?lang=eng>
- (9) No plans for China free trade deal, Carney says as Trump fixates on Canada. CBC News. <https://www.cbc.ca/news/politics/carney-canada-trump-tariff-threat-china-trade-9.7060150>

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CERTIFIED CANADIAN BEEF TRAINING PROGRAM (CCBTP) FOR RETAIL

The CCBTP is designed for meat clerks employed in retail settings and students in butchery-focused educational programs. Learn more about Canadian beef in a retail setting, with the opportunity to become a *Certified Canadian Beef Professional*.

WHAT IS THE CERTIFIED CANADIAN BEEF TRAINING PROGRAM?

The CCBTP is a digital training platform designed to provide you with practical, on-the-job information about cutting and merchandising, as well as the Canadian Beef Advantage.

By the end of the program, you will be more informed about how to safely and effectively work within a retail meat department, as well as be able to better position Canadian beef to your customers.

CURRICULUM OVERVIEW

To become a Certified Canadian Beef Professional, a learner must complete the core modules.

Core Modules 1-6 (Mandatory)

- | | |
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| <ul style="list-style-type: none">  Module 1
Canadian Beef Advantage  Module 2
Good Retail Practices  Module 3
PPE & Equipment Safety  Module 4
The Supply Chain:
Producing Cattle | <ul style="list-style-type: none">  Module 5
Customer Sales Techniques  Module 6
Beef Cutting &
Merchandising |
|--|---|

Optional Module 7

-  Module 7
Customer Support
Resources: Canadian Beef
Information Gateway

HOW TO ACCESS



Scan the QR code or visit ret.cbtp.ca to access the retail edition of the CCBTP.

Be sure to speak with your manager about the program, as there may be additional content specific to your organization to help you learn even more.

Please reach out to us with any questions at cbtp@canadabeef.ca

