Make Informed Decisions

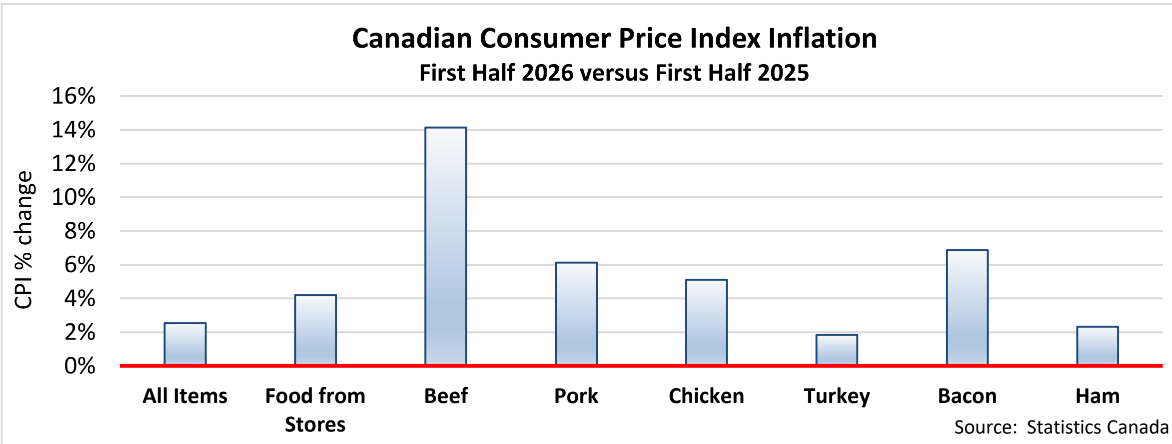
Kevin Grier
Market Analysis and Consulting Inc.

Consumer Pork Price Reflects Demand

Statistics Canada released the June Consumer Price Index (CPI) data on Monday the 20th. The CPI represents changes in prices as experienced by Canadian consumers. It measures price change by comparing, through time, the cost of a fixed basket of goods and services. The goods and services in the CPI basket are divided into eight major components, including food, shelter and clothing. Statistics Canada says that food has been a key driver of inflation in recent years. The food component is the second largest of the eight major components that make up the CPI. According to StatsCan's model, Canadians allocate, on average, the second largest portion of their budget towards food purchases. The largest component is shelter; the third largest is transportation

The latest CPI report showed that in June, the prices of all consumer items (food, clothing, gasoline, etc.), increased by 2.8% this year versus last. The prices of food purchased from stores increased 3.9% this June compared to last.

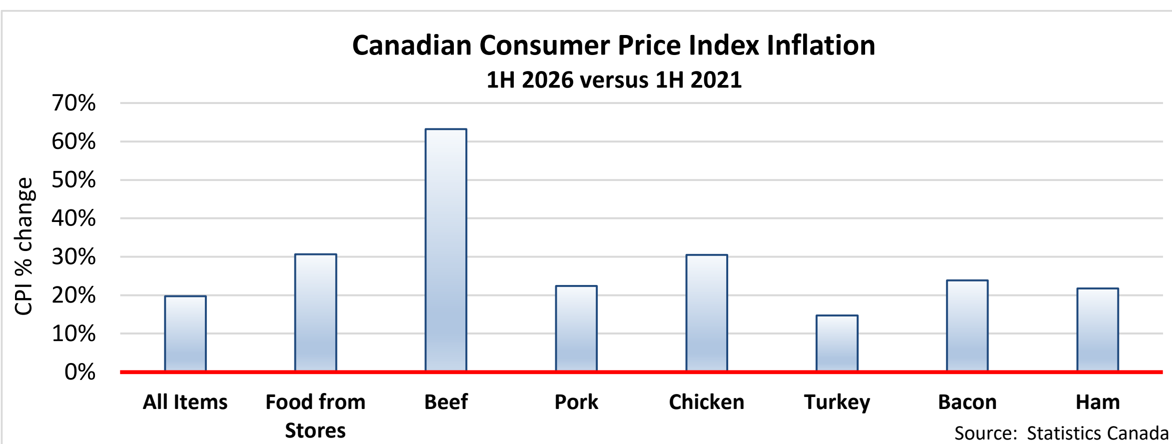
During the first half of this year, from January through June, all items were up 2.6% while food from stores was up 4.2% versus 2025. During the first half, beef prices increased by 14.1% while fresh pork increased 6.1% and chicken was up 5.1%.



2026 vs 2021

Canadian and U.S. price inflation began in earnest in 2021 driven by the government spending in response to the COVID. As such, 2021 is a good benchmark to compare current prices to that year.

First half 2026 prices of all items in the CPI" are up about 20% compared to the first half of 2021. Retail beef prices are up over 60% over that time. The only food item that was up more than beef was roasted or ground coffee, at over 80% inflation. Fresh pork prices at retail increased by 22% while bacon and ham prices were up 24% and 22% respectively.



Front of Flyer Focus

As noted in the March 30 edition of the Canadian Pork Market Report, the CPI data can be augmented by looking at grocery feature pricing. More specifically the prices of meat on the front page of the weekly grocery flyers provide another good perspective on meat prices.

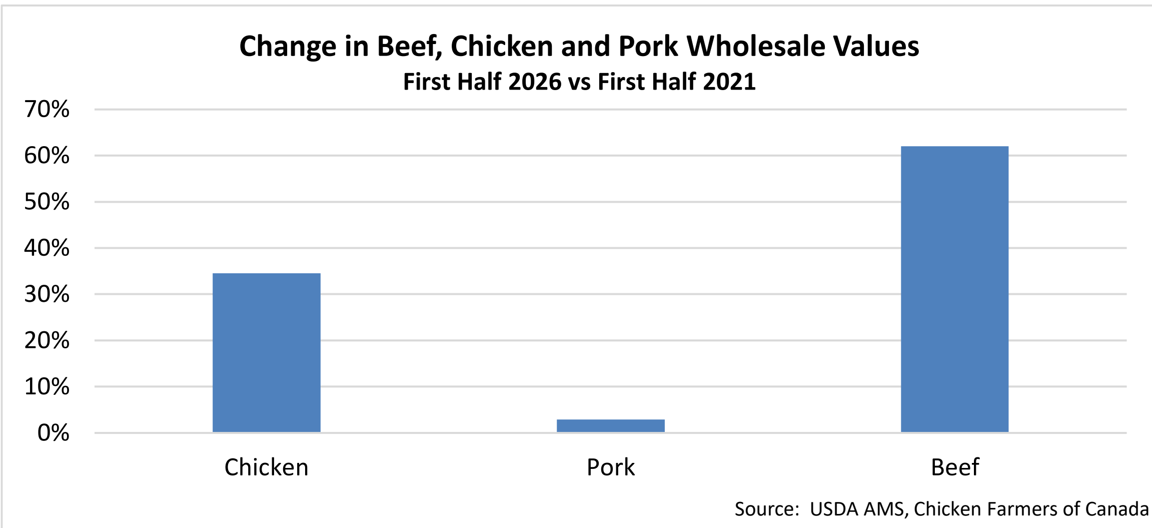
An attractively price meat ad on the front page of a flyer can increase tonnage movement by three or four times (or much more) the normal movement. An attractively priced meat ad can represent three quarters of the volume of the species for a given week. For example, a deep discount price on center cut chops on the front page of the weekly flyer could generate 4 or even 10 times the volume that it normally does when it is not on ad. That deeply discounted pork chop could represent 75% of all pork sales that week. The front page of the flyer is important real estate for the meat industry.

StatsCan CPI shows the prices of the cuts whether they are on feature or not. It provides an excellent snapshot of the direction, trends and magnitude of the price changes. Looking at the feature prices, however, provides a picture of the meat prices that represent the bulk of the volume that is sold to consumers. The front-page feature meat prices are the prices of the meat that consumers are buying. The front page shows the prices that grocers believe are necessary to attract consumers, within the confines of the meat cost.

Wholesale Value Changes

Before examining the flyer prices, it is instructive to look at the changing costs that Canadian retail meat merchandisers have faced since 2021. As noted here previously, and as outlined thoroughly in the June 8 edition of this report, the USDA pork and beef cutout values, are good approximations of Canadian pork and beef wholesale prices. Canadian beef and pork packer cuts are going to be closely aligned with those in the U.S. As such the C$ value of the USDA pork and beef cutouts is a good measure of Canadian packer wholesale values. Canadian chicken processor prices are collected by the Chicken Farmers of Canada.

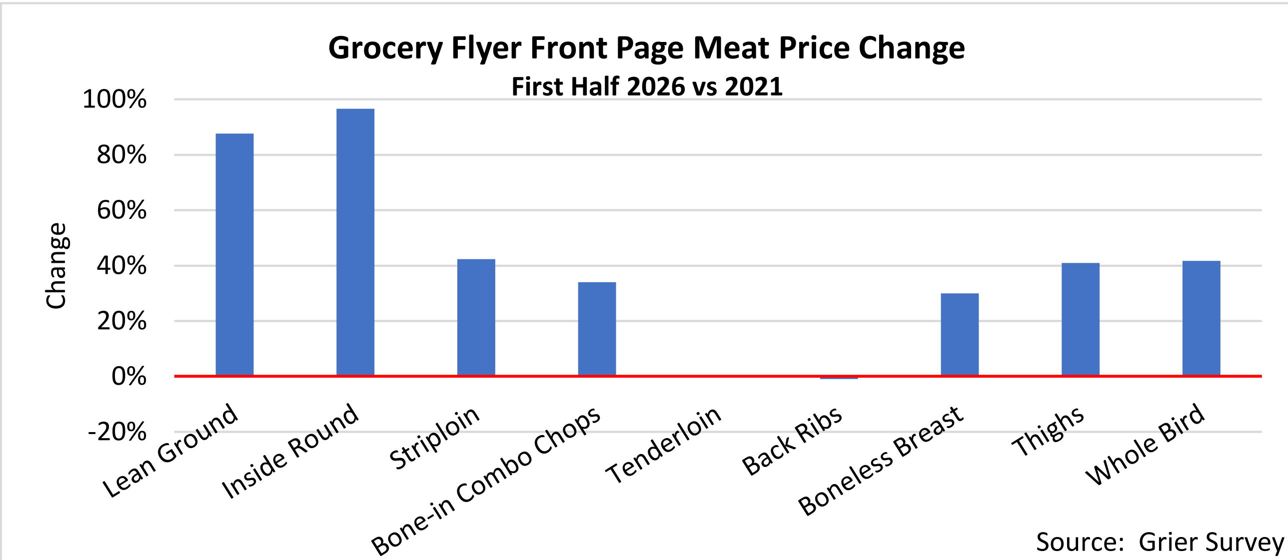
With that noted, between the first half of 2021 and the first half of 2026, Canadian retail meat buyers have seen a 35% increase in chicken costs, a 3% increase in pork costs and a 62% increase in beef costs.



It is interesting to note that the chicken and beef wholesale price changes are closely aligned with the changes in retail (CPI) price changes over the 2021-2026 period. CPI retail pork price increases have notably exceeded the costing increases.

Flyer Price Changes

Turning attention back to the grocery flyer, the following graph shows the price changes of key meat items on the front page of the flyer, in the first half of this year compared to the first half of 2021.



The chicken price changes on the flyer are reasonably aligned with the wholesale cost increases. The boneless breast is one of the most important retail feature items. It was typically on the front page of eastern Canadian flyers at $3.99 in 2021. Now $4.99 is more of the norm.

Lean ground is another very important retail feature product. Canadians watch that closely. The lean ground and inside round items increased dramatically. That is likely due to a combination of the cost increases and the fact that they were relatively lower priced items with greater upside potential. The less dramatic increase in the striploin is likely because it was already a high priced item. In addition, the more tepid striploin increase may be due to the material volume of imported striploin product now in the Canadian market.

Combo chops increased 34% since 2021. That also likely reflects its lower cost and the fact that even with the increase, it is still a lower priced item. The zero increase I tenderloin and back ribs is likely because those items are positioned to compete with the beef BBQ product. They help to present the grocer as a lower priced alternative to generate traffic.

The bottom line for pork is that the wholesale cost increases between 2021 and 2026 where very small compared to beef and chicken. The price increases on the flyer are reasonably in line with the small cost increases.

The fact that the pork cutout or wholesale price did not keep pace with the other meats is a result of the tepid domestic demand that pork has been experiencing.

Kevin Grier

August 8, 2026

A version of this article first appeared in the July 20, 2026 edition of the Canadian Pork Market Report. For a free three-month trial of that report, email, kevin@kevingrier.com