

Canada must combat food inflation

by SYLVAIN CHARLEBOIS

It wasn't a good week if you're a consumer on a tight budget ? and that means most of us. Con-sumers are under attack.

We've just learned that Canada's food inflation rate was at a record 9.7 per cent in May. Every-one is noticing higher food prices and no section of the grocery store is immune.

What's hitting Canada is a global phenomenon; food prices aren't coming down anytime soon. The world will see a shortfall in commodity production this fall, which could push prices even higher worldwide. Supply chain issues, coupled with a new inflationary cycle triggered by the Ukrainian conflict, are impacting the food industry's ability to fill shelves.

The shift is so incredibly sharp that many vendors can't agree with grocers on pricing, pushing them to put their business on hold, as we saw with the Frito-Lay dispute with Loblaws earlier this year. There are many stop-sells out there.

The macroeconomic picture is one thing. But some policies in Canada are just making things worse.

The Canadian Dairy Commission (CDC), a Crown corporation, believed a second milk price in-crease was necessary for dairy farmers. Last week, we learned that milk prices paid to farmers will rise again by 2.5 per cent, after a record increase of 8.4 per cent in February. Last winter's increase was so severe that most dairy alternatives are now priced the same as milk or lower.

The Dairy Farmers of Canada, one of the most powerful lobby groups in the country, requested another mid-year increase due to ?exceptional circumstances? without telling us where the data is coming from.

To add insult to injury, the commission's decision to raise milk prices was made by a federal pub-lic body operating for several months without a full complement on its board. The board only has two members and both are in dairy farming.

Conflicts of interest are rampant at the commission, just as in politics and academia. Many Ca-nadian university scholars aren't just researchers ? they're essentially advocates for their funding agencies representing the dairy industry. The dairy boards have power and influence beyond belief. If only Canadians realized. The fact that Dairy Farmers of Canada and the Canadian Dairy Commission work as one is deeply disturbing. Canadian consumers need to be heard.

Many Canadians would empathize with dairy farmers ? who face higher production costs ? if only the commission would share more data.

The lack of disclosure is very much about asking Canadians to support an inefficient dairy sector more than properly compensating farmers. And by fall, this new increase will price the dairy sec-tion at the grocery store out of the market for many consumers.

Ultimately, we stand to lose many more dairy farms as their sales decline.

The federal government is also coming forward with new labelling rules for saturated fats, sodium and sugar. Health Canada's front-of-package labelling was long overdue, and it will make our food healthier. But the new policy also aims at a key single-ingredient product that many Cana-dians enjoy: ground meat.

Ground beef and pork are among the most affordable sources of animal protein we have. Based on the plans we've seen, only extra-lean ground meats are exempt from the new labelling. If this goes ahead, grocers will stop carrying more affordable ground meat, making the meat counter even more expensive. It's just ridiculous.

The federal government is the consumer's worst enemy right now. It needs to think through some of these ill-timed policies that will make food even more expensive.

Finance Minister Chrystia Freeland's so-called anti-inflation plan presented recently won't do much for Canadians at the grocery store. Many of us hoped for tax breaks, anything to ease our fiscal burden, as many countries have done in recent months. But Freeland opted to make a 'microwave' announcement, basically reheating programs already in place ? it's like clapping with one hand.

NATO Secretary General Jens Stoltenberg recently said the war in Ukraine could last years. However regrettable this may be, this is what the Canadian government needs to focus on for the foreseeable future.

Farmers need help with inputs to prepare for fall, winter and next spring. The government should also become one of the world's most influential trade advocates and prevent other countries from hoarding food. More nationalistic protectionism can only make things worse.

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