



The rise in prices for wheat-based food products, 2023

The food supply chain consists of many essential steps that move products from producers to consumers. Since March 2022, some costs along the supply chain have been falling, while others have remained high. Prices for bread, pasta and cereal at the grocery store continued to increase in 2023 but at a slower pace than in 2022.

Some costs along the food supply chain fell year over year

Production

Canadian farmers felt some relief from lower input costs, which contributed to a **26.5% drop** in the price of the wheat they produced (June 2023).

Inputs

Pesticides	+9.5% (Q2 2023)
Fertilizer	-21.1% (Q2 2023)
Machinery fuel	-32.8% (Q2 2023)
Agricultural wages	+12.9% (Oct. 2023)



Processing and packaging

While food manufacturers paid **16.2% less** for raw wheat (Sept. 2023), producer prices for some wheat-based products increased.

Inputs

Paperboard containers	+14.1% (Sept. 2023)
Manufacturing wages	+6.9% (Oct. 2023)



Wheat-based products (Sept. 2023)

Bread, rolls and flatbreads	+10.3%
Flour mixes, dough and dry pasta	+0.4%
Breakfast cereal and other cereal products	-2.7%

Transportation

Inputs

Diesel fuel	-4.9% (Sept. 2023)
Truck transportation	-7.5% (June 2023)
Freight rail (grain and fertilizer)	+2.3% (Oct. 2023)



Wholesale and retail

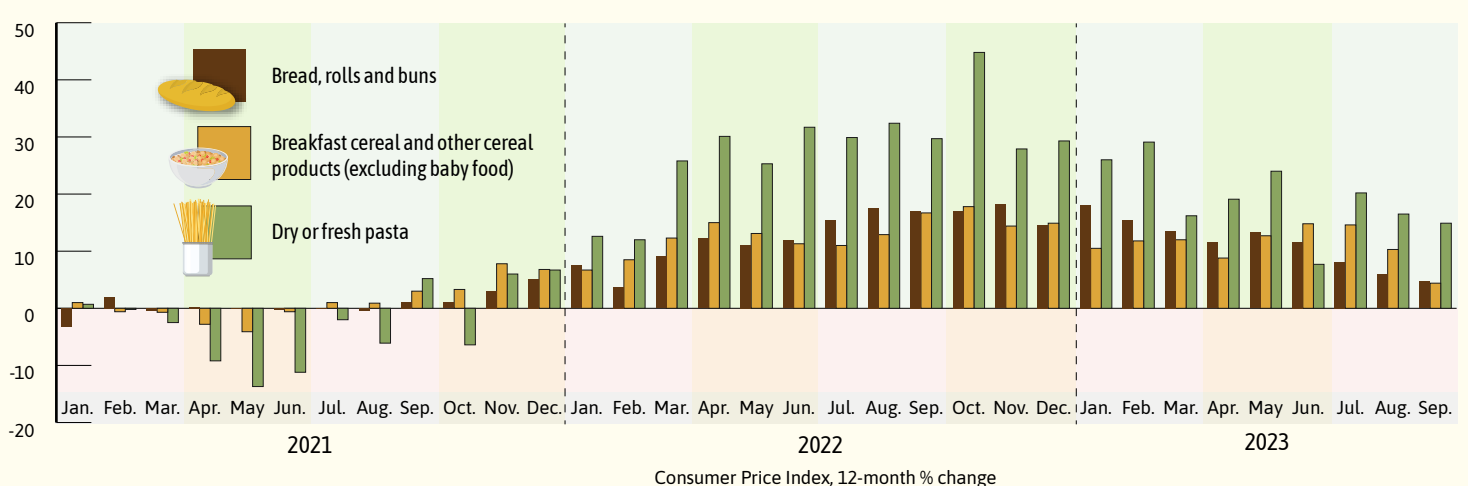
Inputs

Wholesale food margins	+7.5% (Q2 2023)
Retail grocery store margins	+9.9% (Q2 2023)
Wholesale and retail trade wages	+4.7% (Oct. 2023)



Consumer prices

Although prices fell for some inputs, prices for wheat-based food products at the grocery store continued to rise, though at a slower pace year over year.



External factors

Weather

Extreme weather events have become more and more frequent and severe over the past few years, impacting global wheat supply and production. Reduced supply amid ongoing demand results in higher prices for consumers.



Russia's invasion of Ukraine

With both countries being major wheat producers, this conflict continues to create uncertainty in the global wheat market.

Sources: Statistics Canada, Employee wages by industry (average hourly wage rate), Farm Product Price Index, Farm Input Price Index, Industrial Product Price Index, Raw Materials Price Index, Wholesale Services Price Index, Retail Services Price Index, For-Hire Motor Carrier Freight Services Price Index, Freight Rail Services Price Index, and the Consumer Price Index.

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