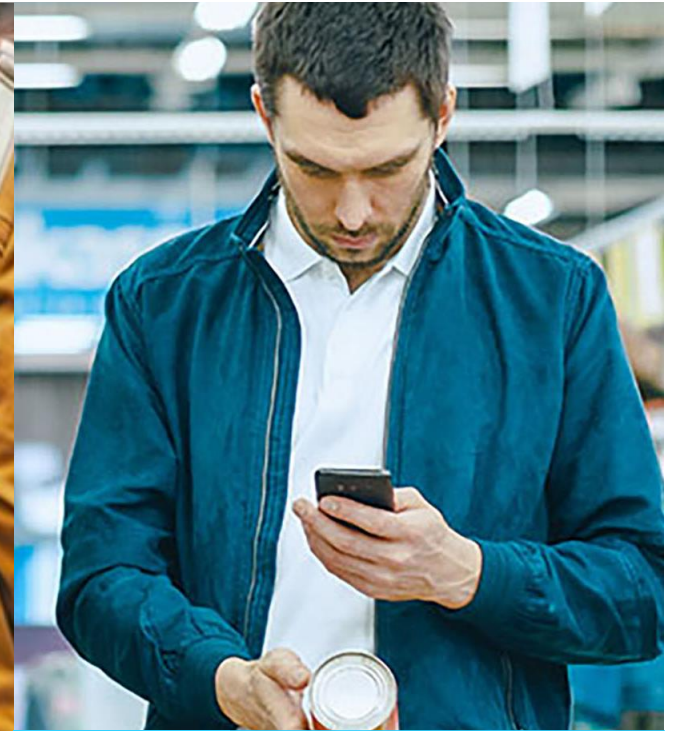


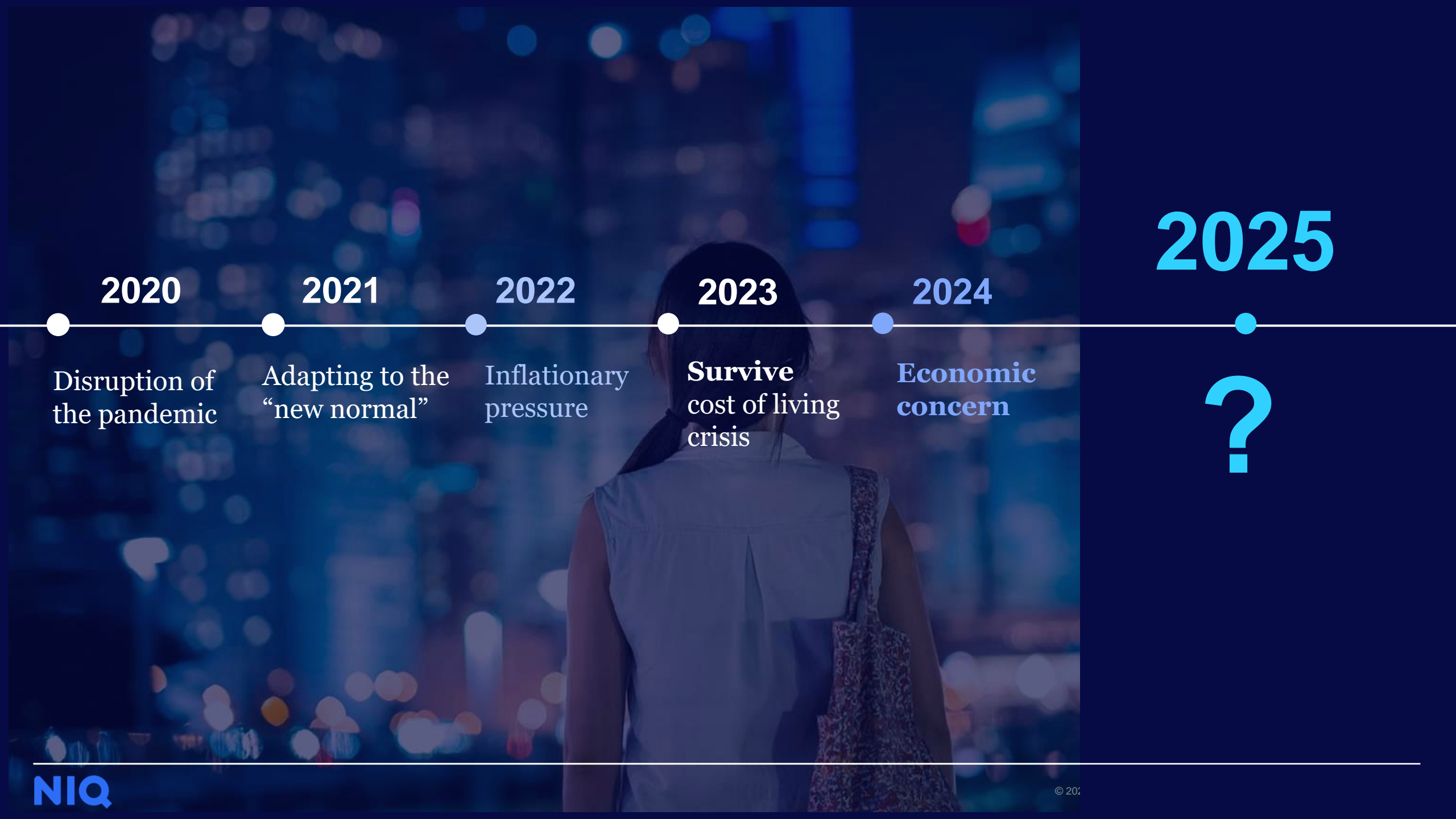


# Navigating The Pressure Points to Find Growth

[Carman.Allison@NielsenIQ.com](mailto:Carman.Allison@NielsenIQ.com)



06  
25



2020

Disruption of  
the pandemic

2021

Adapting to the  
“new normal”

2022

Inflationary  
pressure

2023

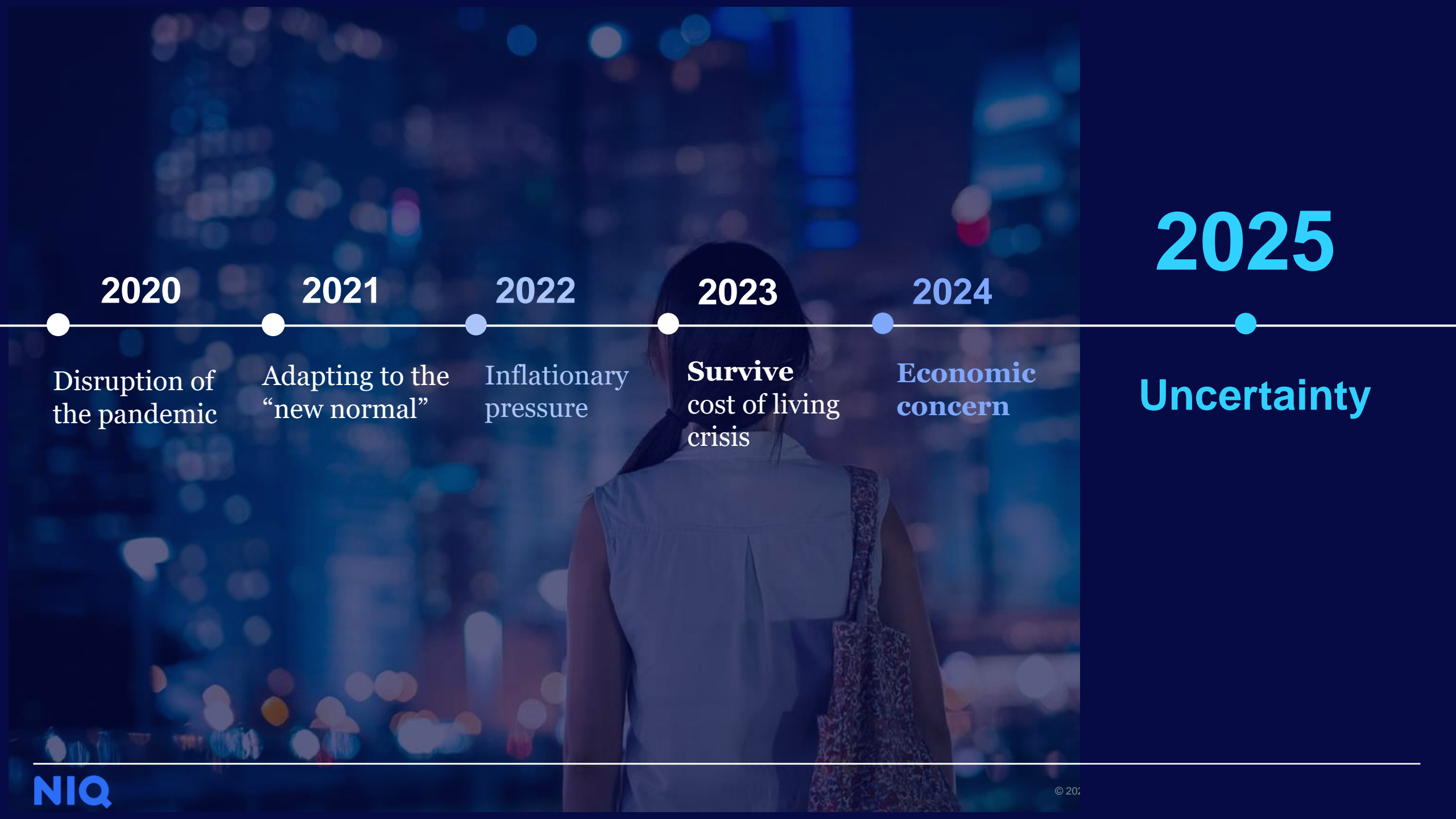
**Survive**  
cost of living  
crisis

2024

**Economic  
concern**

2025

?



2020

Disruption of  
the pandemic

2021

Adapting to the  
“new normal”

2022

Inflationary  
pressure

2023

**Survive**  
cost of living  
crisis

2024

**Economic  
concern**

2025

**Uncertainty**

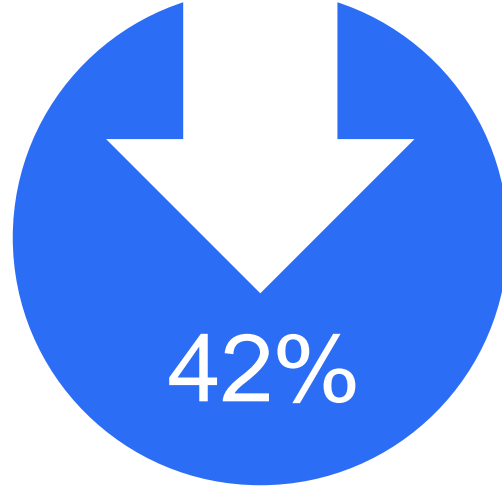
# The Canadian consumer has been shaken, not stirred

## Consumer Confidence\*



April 2025

## Financial Health^



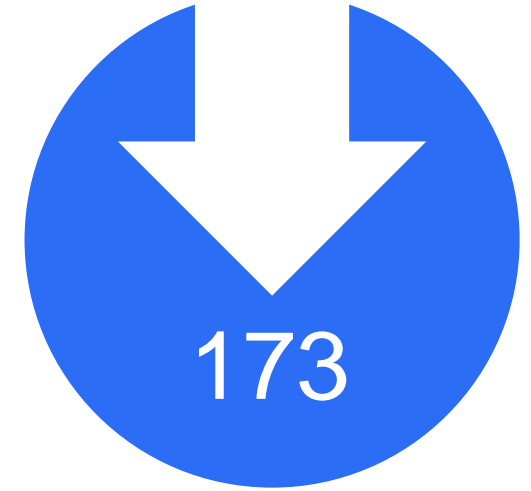
Worse Off

## Job Market



Unemployment 4/25

## Debt to Income Ratio



179 YA

- Canada's GDP forecasted to slow in 2025 to +0.7% down from +2.0% previously (OECD forecast)



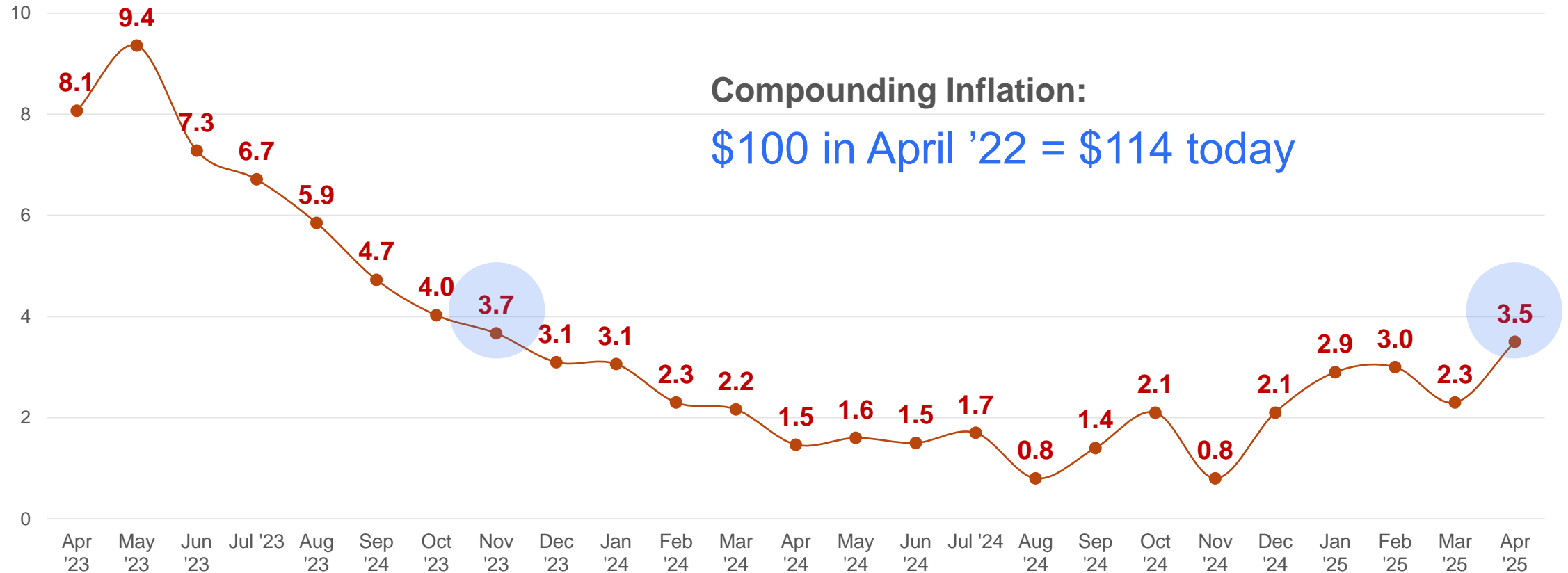
# Top 5 concerns setting the spending tone for 2025

- 1 Rising food prices 45%
- 2 Increased housing costs 18%
- 3 Increasing utilities costs 14%
- 4 Rising interest rates 13%
- 5 Global conflict / escalation 12%



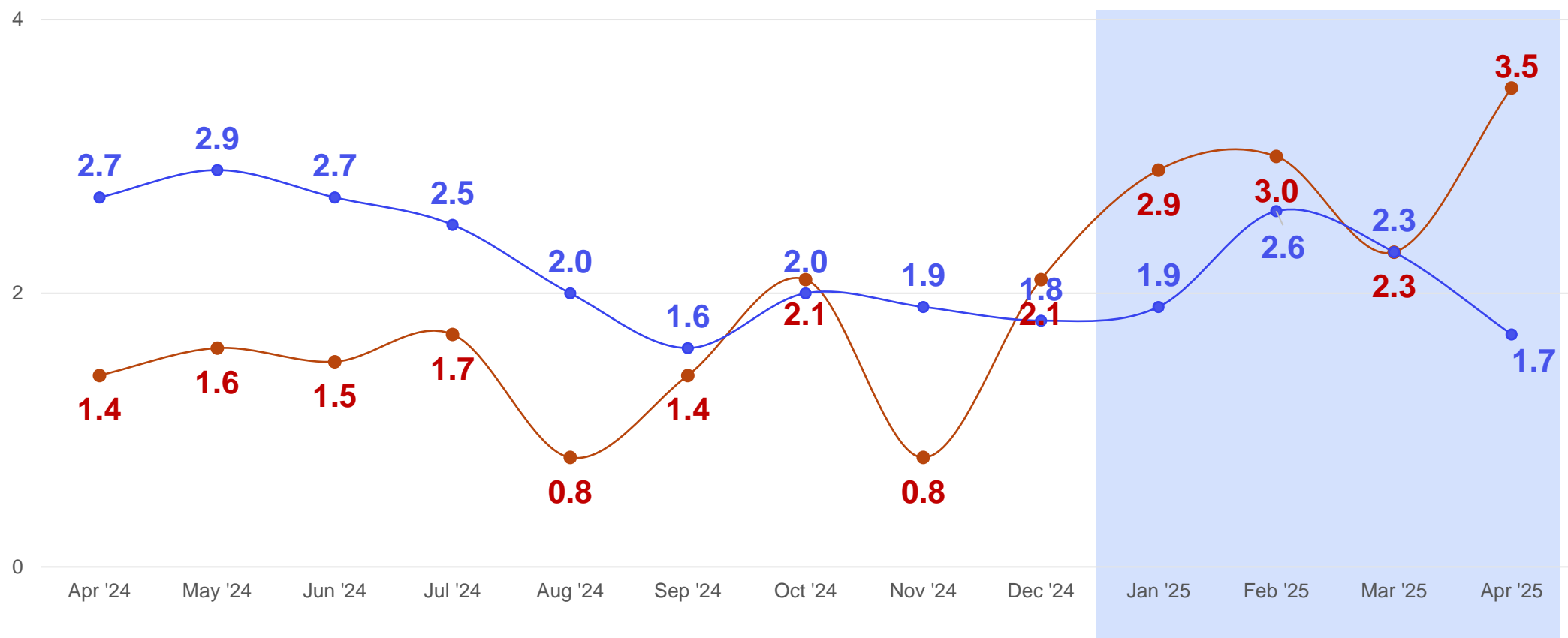
# FMCG prices are starting to rise, with April the highest rate since Nov '23.

## Canada FMCG Inflation



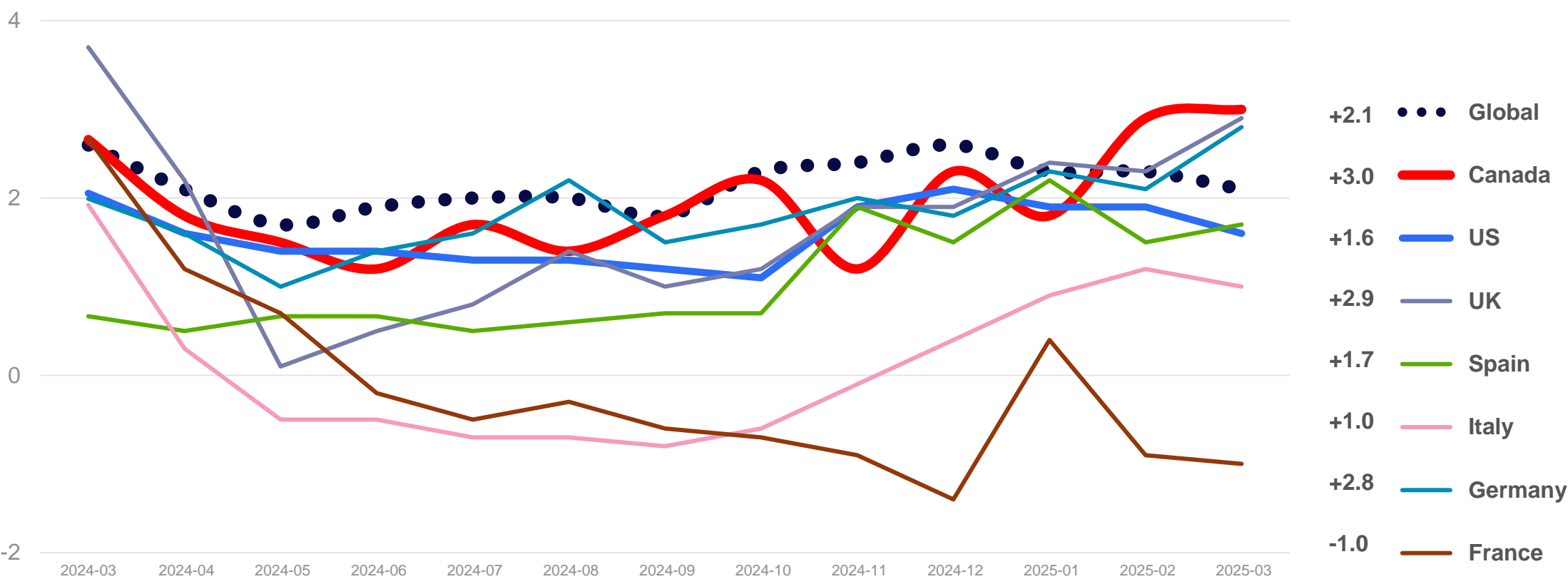
# The consumer concern: FMCG trending higher than overall inflation

Canadian CPI vs. Canada FMCG Inflation



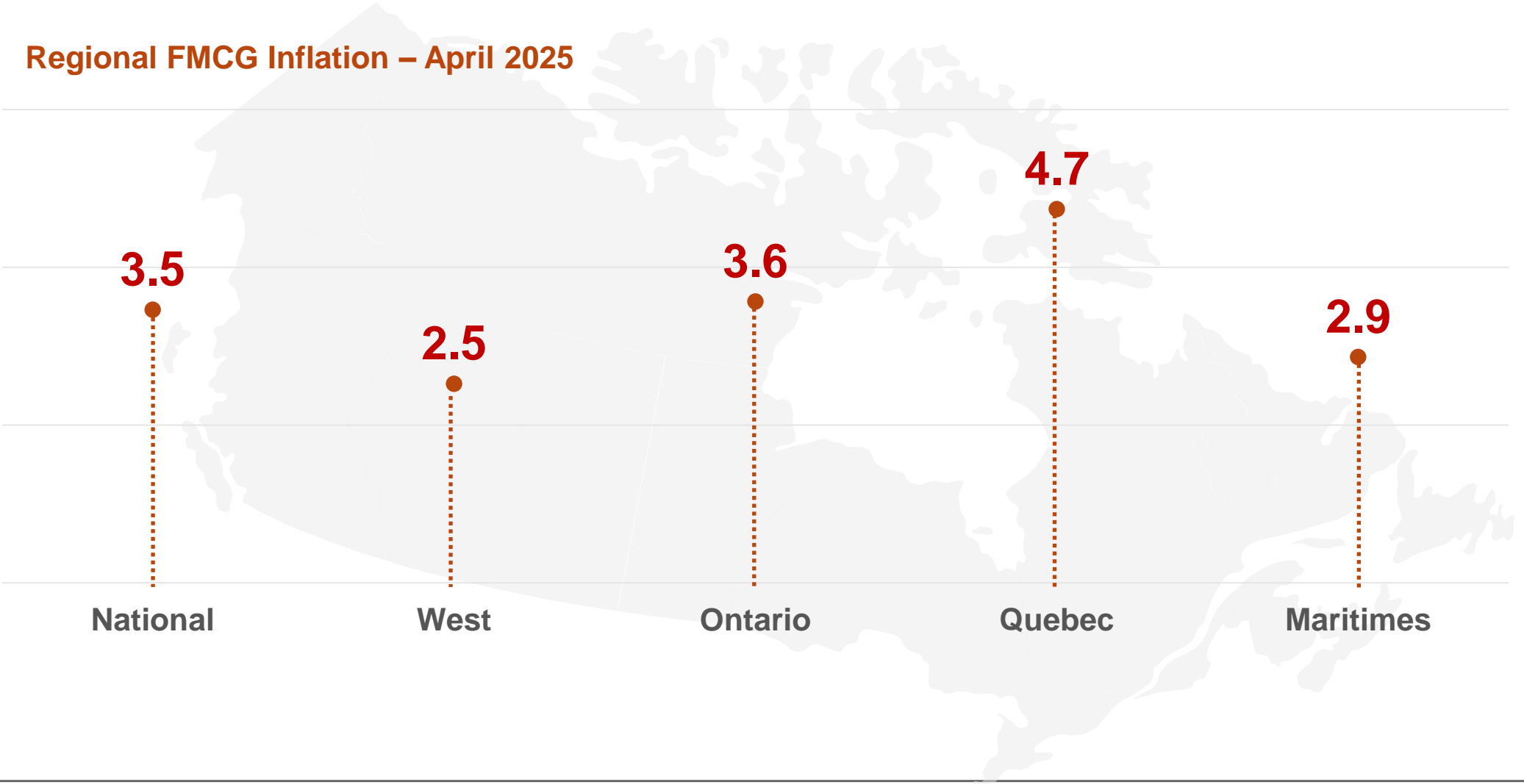
# Canada's rate of FMCG inflation is now highest among economic peers

**CANADA** vs. Global and Key Developed Markets FMCG Inflation - Universe: Closed Group of Categories

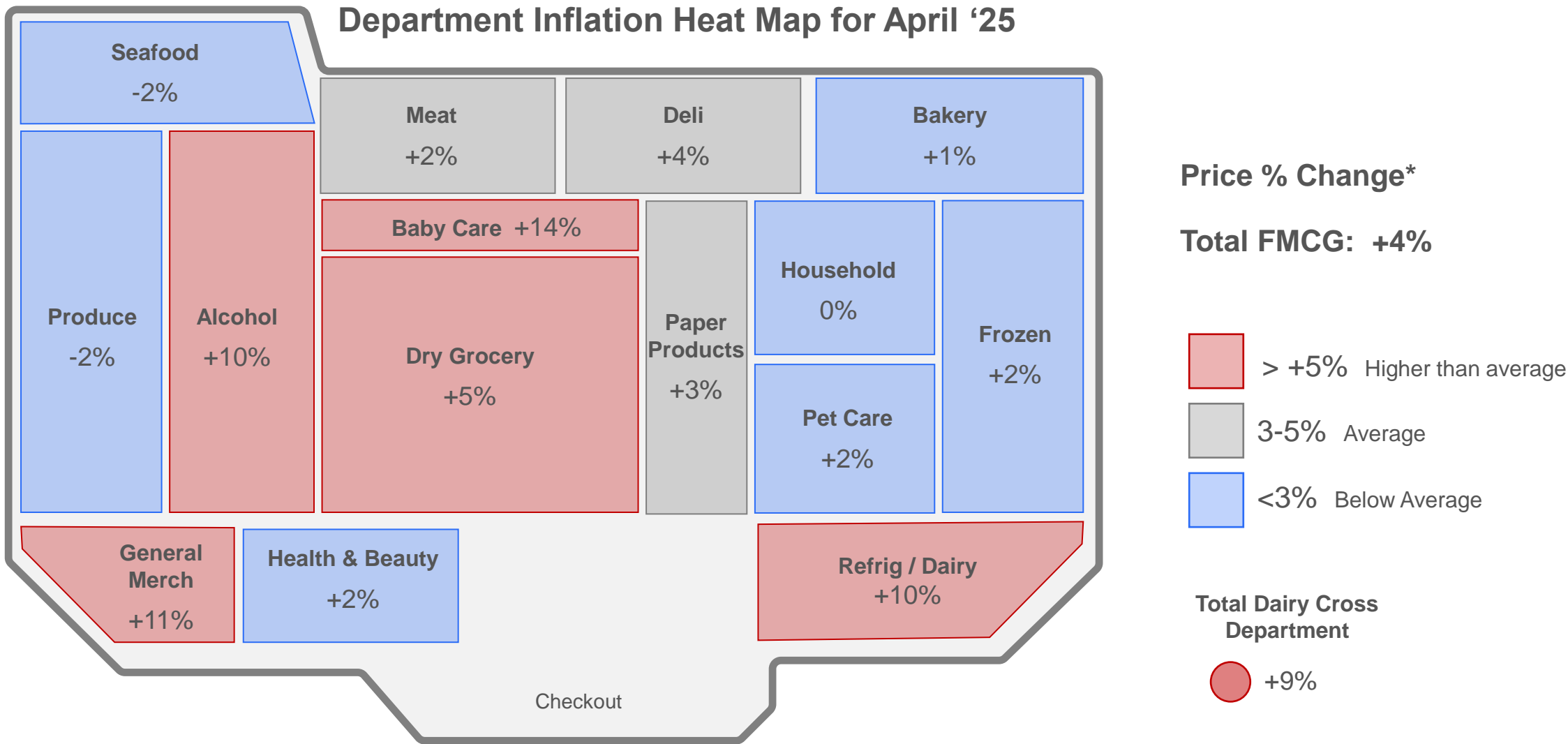




# FMCG prices rising faster in Ontario and Quebec



# There are several polarizing price increases across the store in Ontario



# TOTAL DAIRY DEFINITION

## Refrigerated

- Butter & Dairy Spreads
- Coffee Creamers
- Cottage Cheese
- Cheese - Prepack
- Cream
- Cream Cheese
- Milk
- Milkshakes & Egnogs
- Sour Cream
- Whipping Cream
- Whipped Toppings
- Yogurt

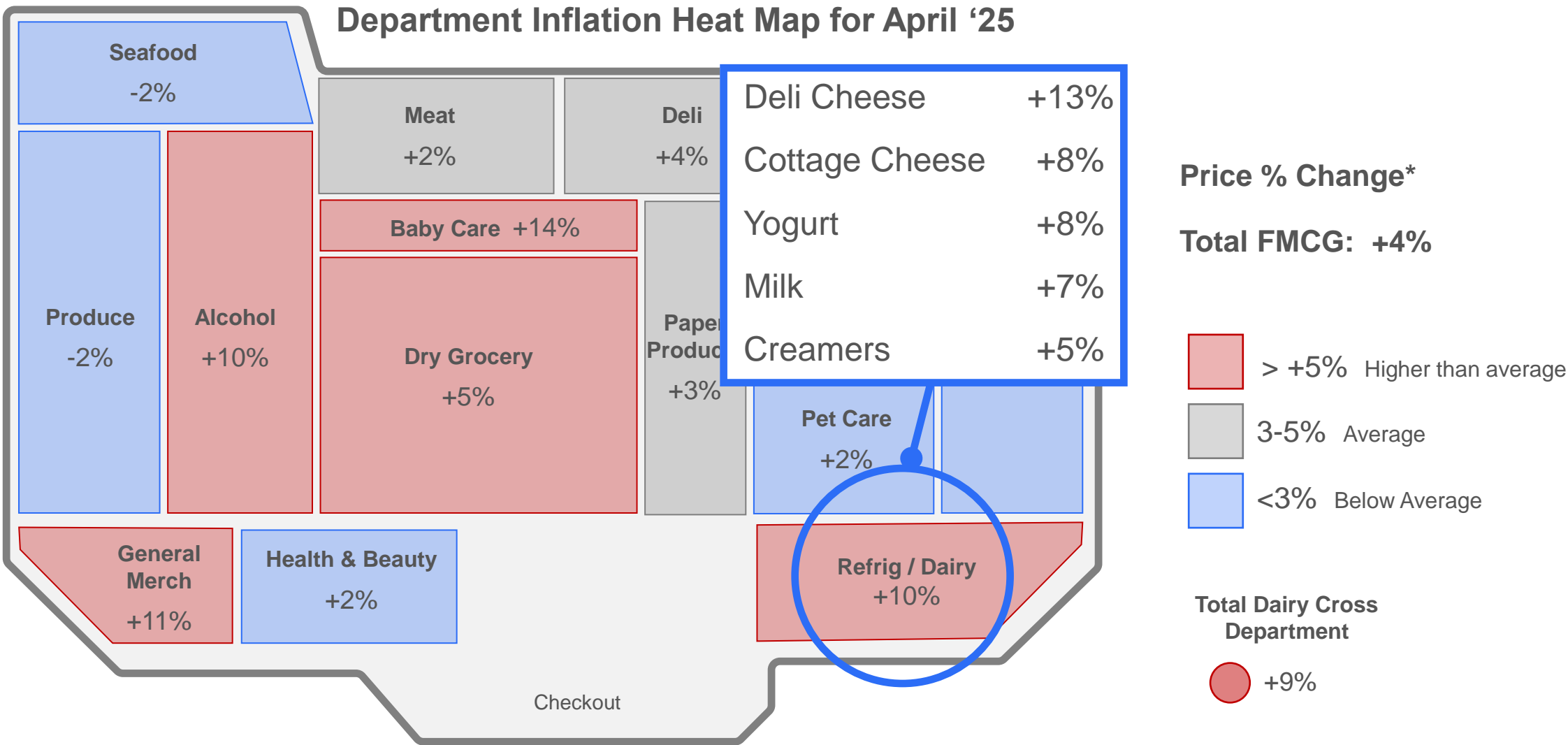
## Deli

- Cheese - Prepack
- Cheese - Random Weight
- Cream Cheese - Random Weight

## Frozen

- Ice Cream
- Frozen Yogurt

# There are several polarizing price increases across the store in Ontario





4 in 10  
Canadians  
are only  
buying the  
essentials

14%

**Free  
Spenders**

I am able to  
spend freely

44%

**Comfortable**

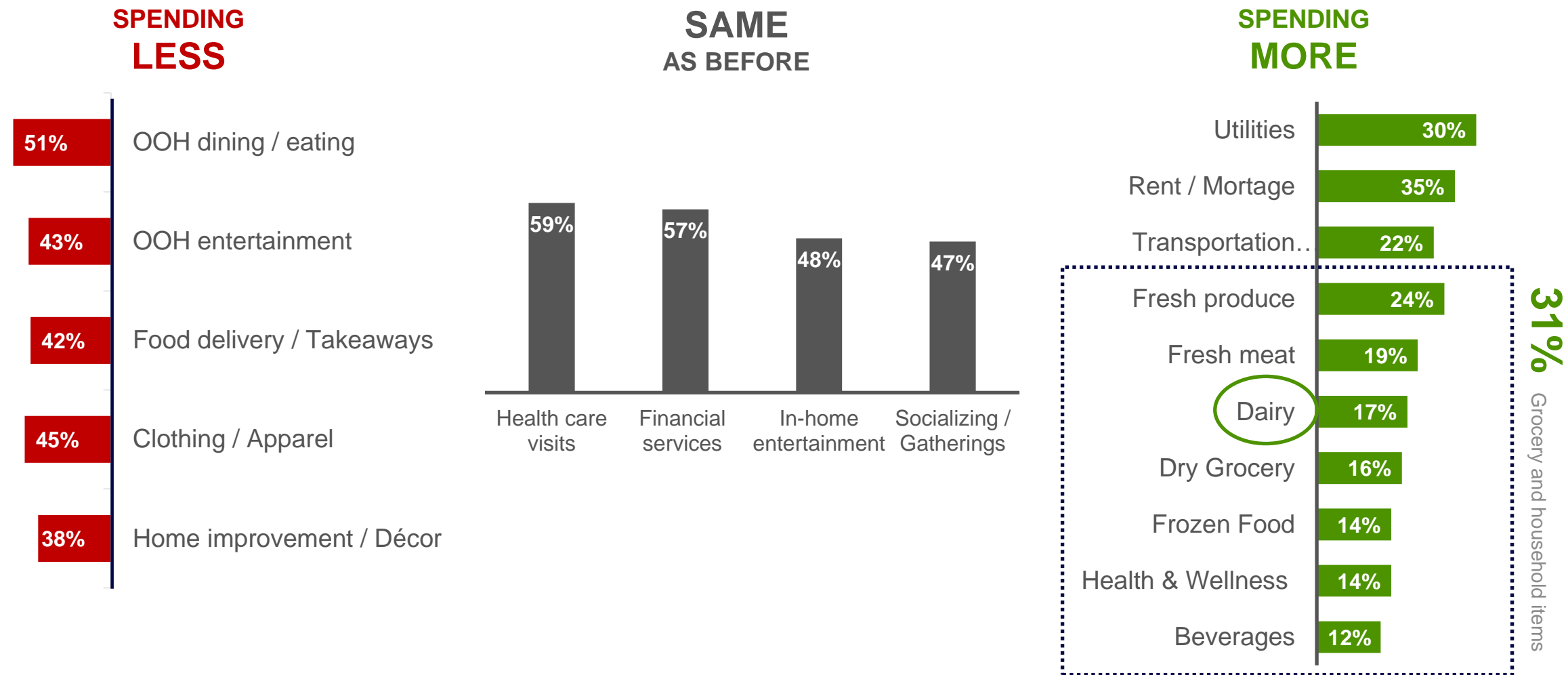
I live comfortably and  
am able to buy some  
things just because I  
want them

42%

**Basics only**

I only have enough  
money for food,  
shelter, and the  
basics

# 2025 wallet intentions reinforce the shift from a cautious to purpose spending



# Dairy outperforming total FMCG both on dollars and volume

## Canadian Performance

### Total FMCG

### Total Dairy

\$ % Chg.

3.1

3.2

4.5

5.7

2024

YTD 2025

2024

YTD 2025

Vol % Chg.

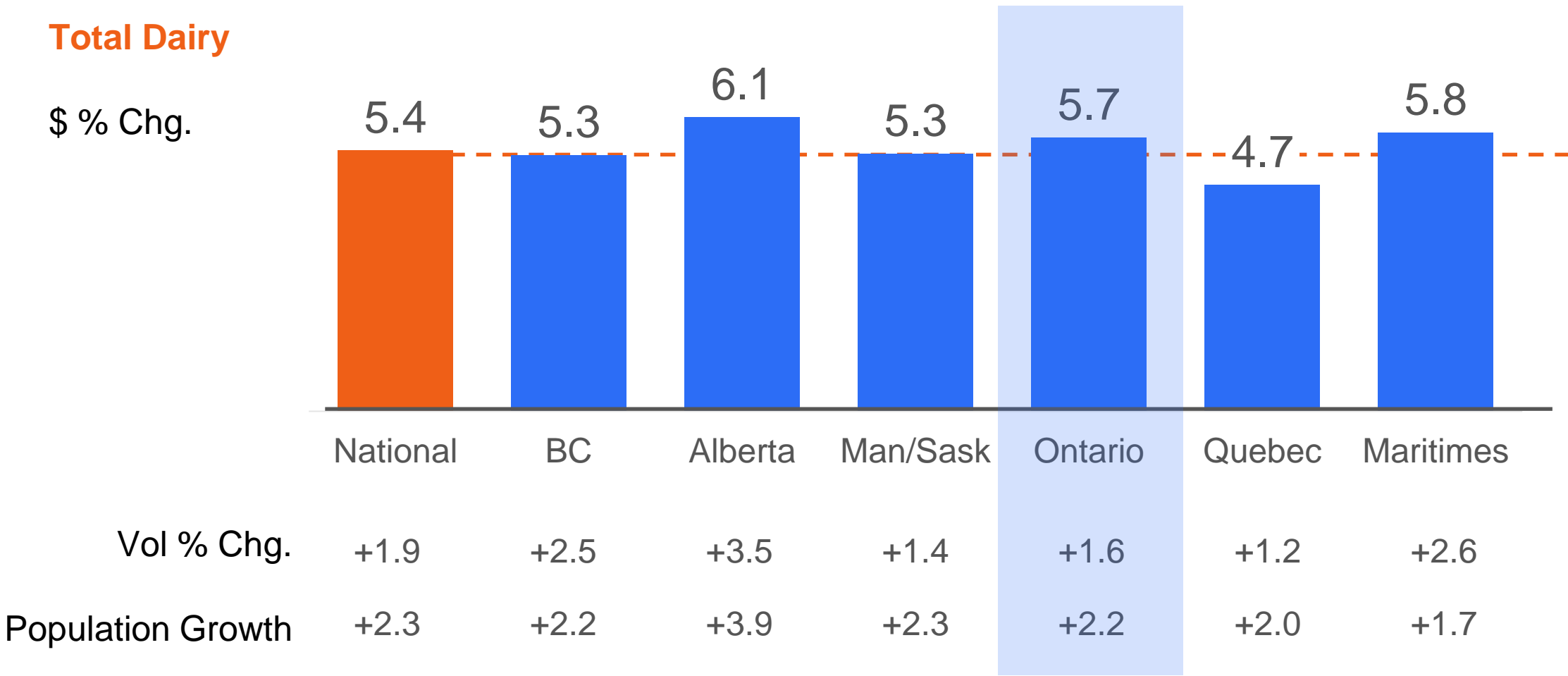
+1.2

+0.4

+1.7

+1.7

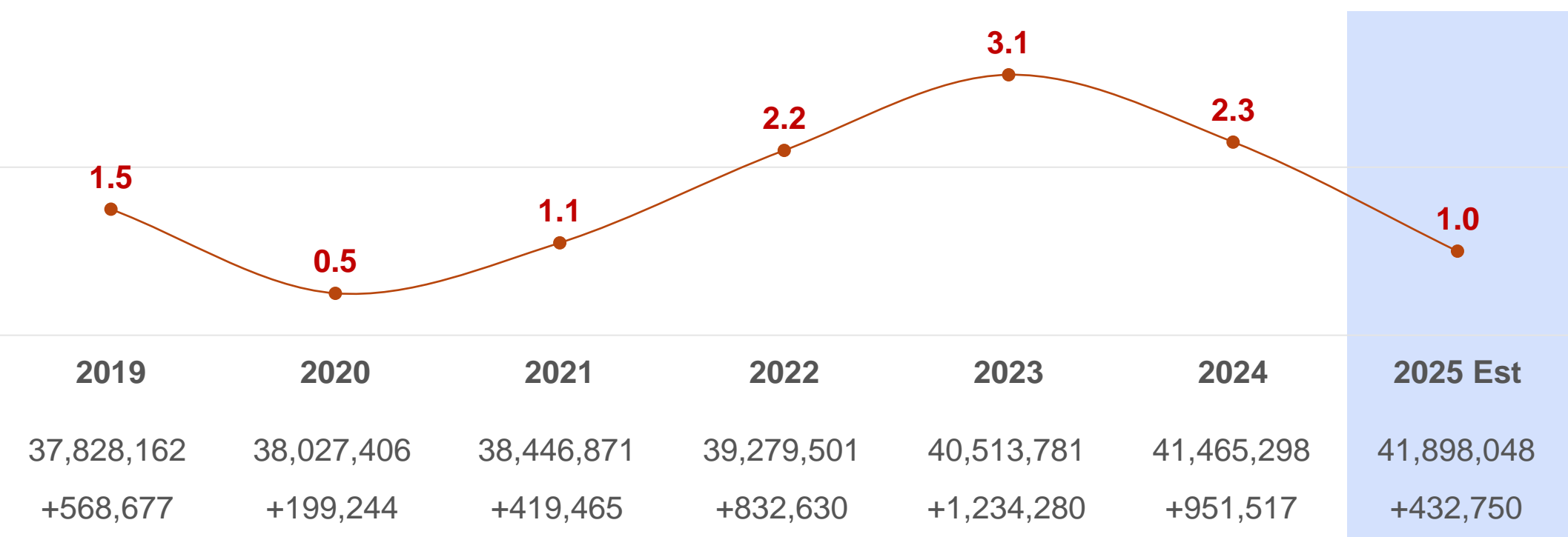
# Dairy reporting strong dollar growth but volume still lagging population gains





# Canada's population is forecasted to slow in 2025 challenging volume growth

Canada's Population Growth



NEW: > +3 million in the past 3 years

# Ontarians continue to spend and expand their Dairy consumption

## Top 5 Sales

	\$'s MM	\$ % Chg	Vol % Chg
Milk	\$1,226.6	+6	0
Prepack Cheese	\$1,082.0	+2	+1
Yogurt	\$852.5	+12	+6
Butter & Spreads	\$354.5	+1	+4
Deli Cheese	\$325.7	+4	+5

## Top 5 Volume Gains

	\$'s MM	\$ % Chg	Vol % Chg
Cottage Cheese	\$82.8	+42	+37
Flav. Creamers	\$136.6	+8	+8
Yogurt	\$852.5	+12	+6
Whipping Cream	\$58.4	+10	+5
Deli Cheese	\$325.7	+4	+5

# Plant based products continue to lag total Dairy performance

## Total Plant Dairy & Meat Alternatives

\$695.7 Million

Dollars -4%

Volume -7%

	\$ Millions	\$ % Chg	Vol. % Chg		\$ Millions	\$ % Chg	Vol. % Chg
SOYA, RICE & ALT. BEVERAGES	\$393.7	-6	-8	TOFU & MEAT DAIRY ALT.	\$302.0	-1	-1
ALMOND	\$181.1	-12	-13	MEAT ALT.	\$159.4	-3	-7
OAT	\$115.4	+2	+1	TOFU	\$96.3	+5	+5
SOYA	\$67.4	0	0	SOYA CHEESE	\$36.2	-4	-8
COCONUT	\$15.3	-17	-19	OTHER TOFU	\$10.1	-9	-13
CASHEW	\$9.1	-11	-15				
RICE	\$2.2	-20	-19				
OTHER	\$3.3	+7	+12				

Hazelnut,  
Walnut, Pea,  
Chickpea

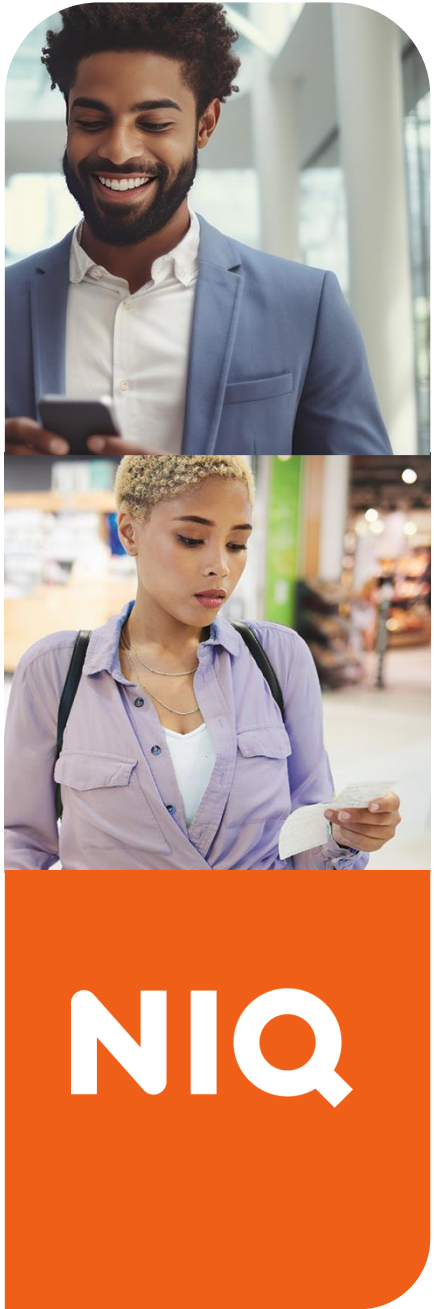
# Opportunity for Milk to capitalize on declining alternative beverage declines

Ontario consumers are spending more but consuming less Dairy + Alternatives

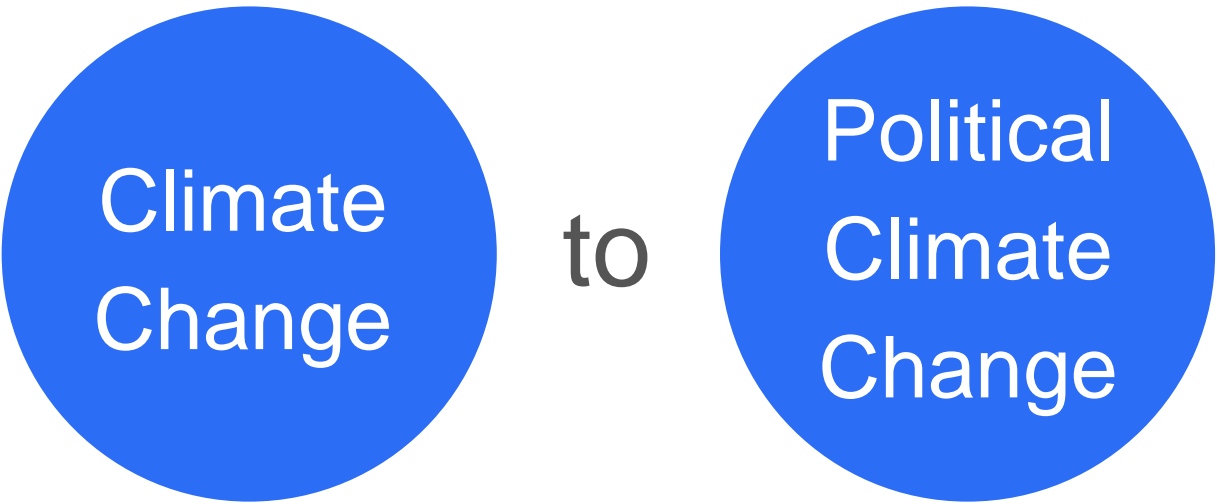


	Dollar % Chg	Absolute \$ Chg (Millions)	Litres % Chg	Absolute L Chg (Millions)
Milk	+6%	+\$67.8	0%	+2.7
Soya & Rice Beverage Alt.	-10%	-\$14.5	-12%	-7.5
Net Change	+4%	+\$53.3	-1%	-4.8





# Threat of tariffs impacting consumers



## Tariff awareness and concern is a reality for the vast majority

**97%**

are aware of the potential tariffs to be imposed by the U.S.

**92%**

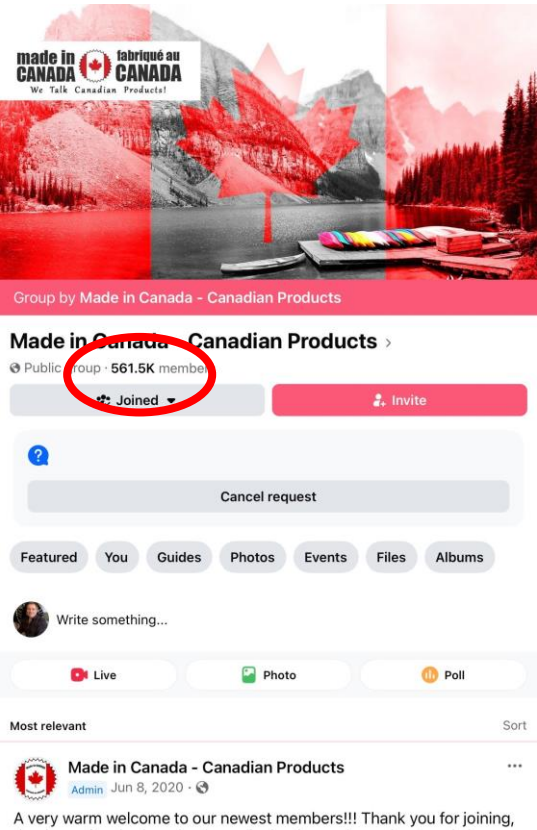
believe tariffs will have a negative impact on daily life  
(51% very negative)





# Canadians are mobilizing and becoming more label conscious

## Social Media



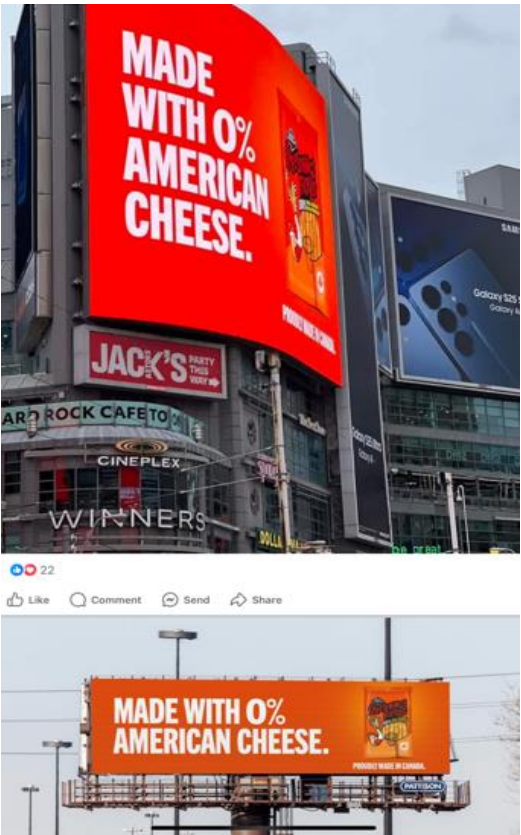
## Packaging



## At the Shelf



## Advertising





# Awareness and concern is fueling action

## Canadian Loyalists

I will only buy Canadian-made alternatives and will go without if a Canadian option isn't available.

13%

51%

## Pragmatic Canadian Supporters

I will prefer Canadian-made products whenever possible but will still buy U.S. products if they remain my best option

32%

## American Good Avoiders

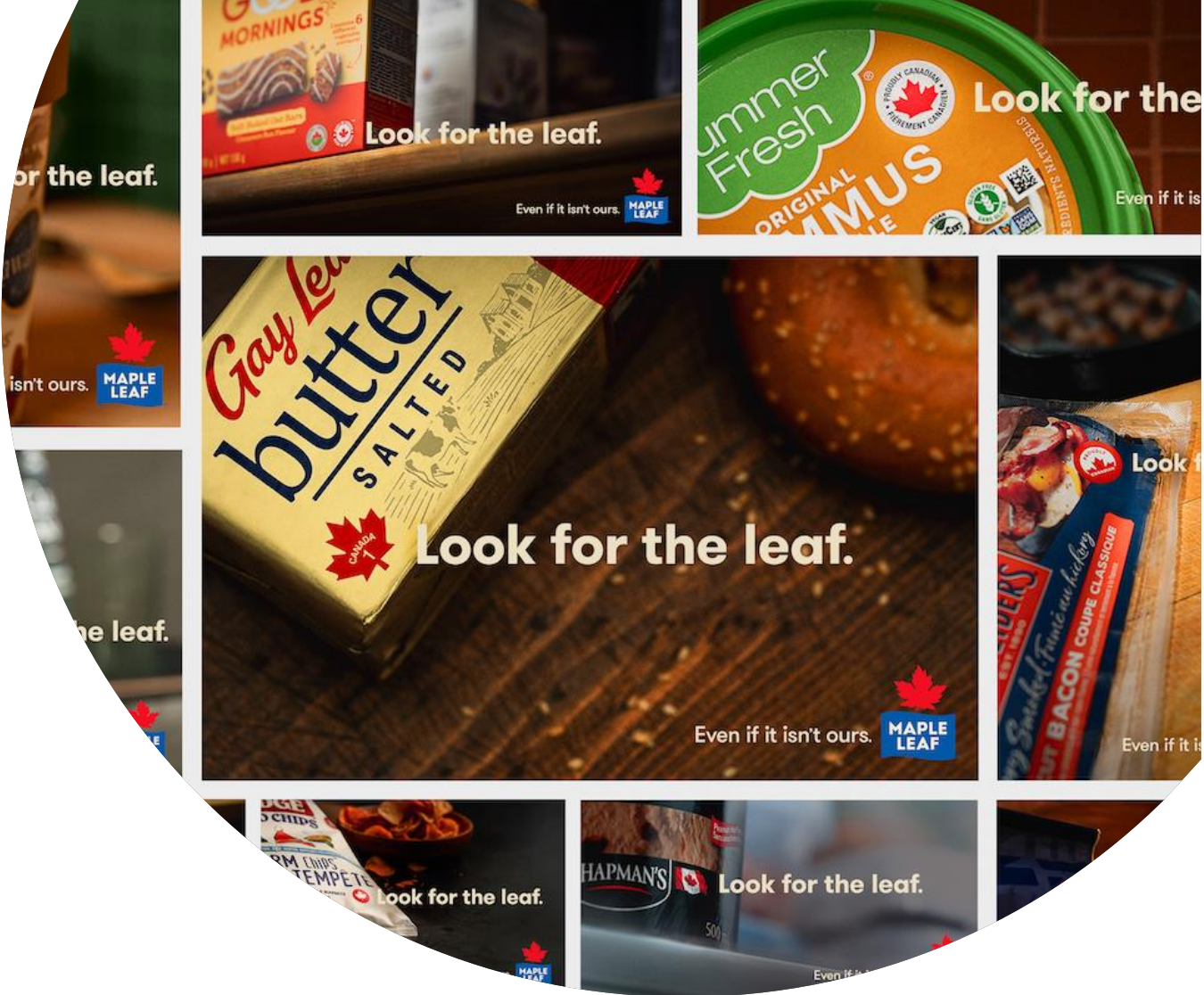
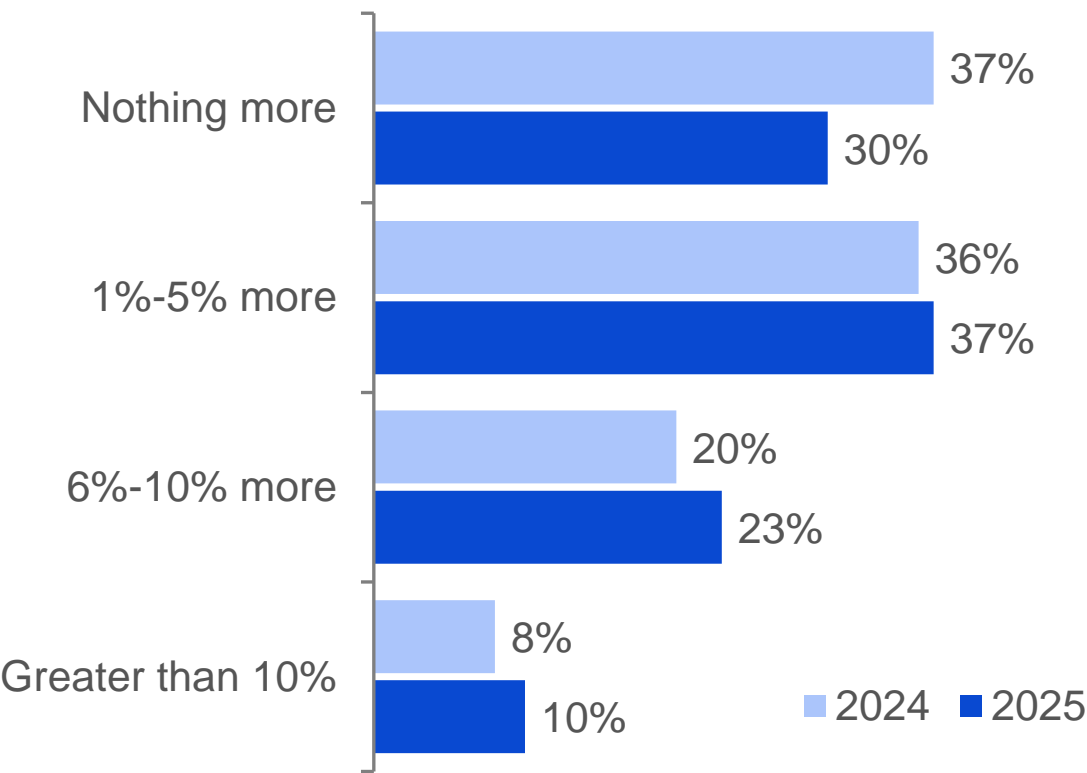
I will boycott U.S.-made products and refuse to purchase them, regardless of availability or price

4% Unchanged

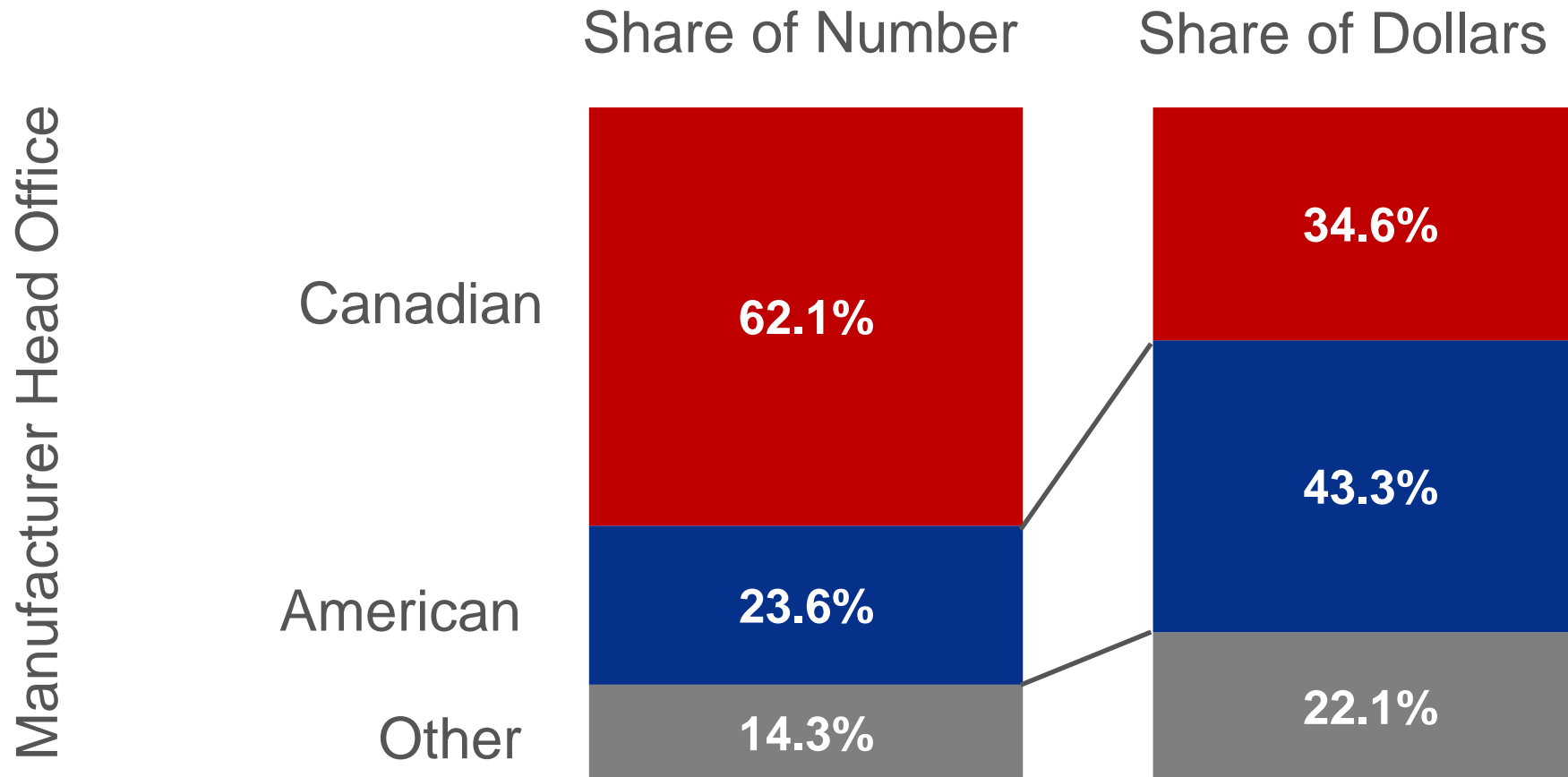


# Canadians are willing to put their money where their mouth is

Willingness to pay more for Canadian Products

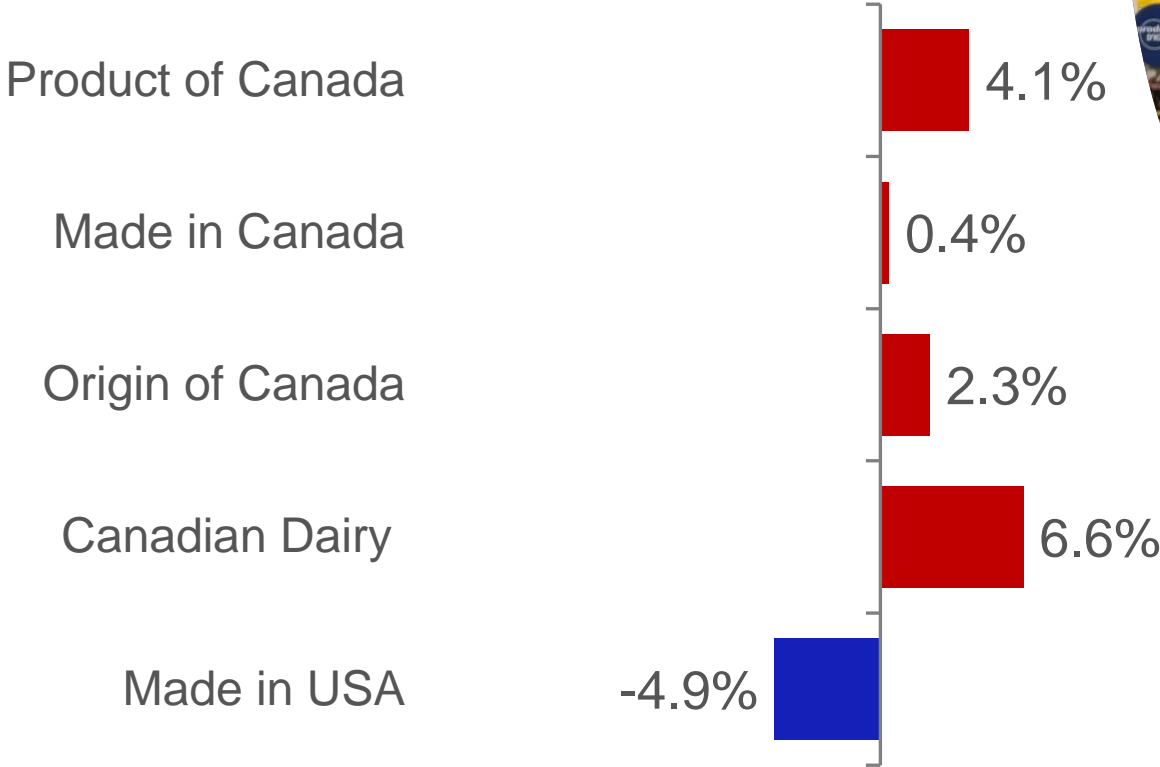


# What's up for grabs or risk depending on your brand ownership

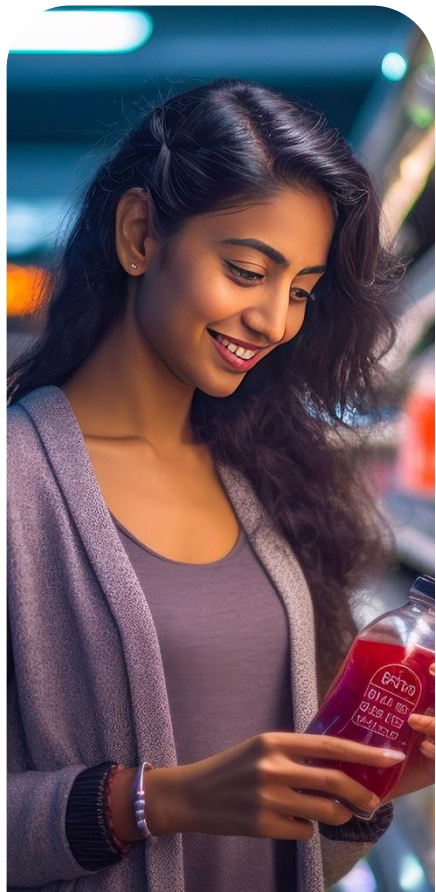


# Canadian identified products are doing better than American

NPI – “Made in” Performance (selected items)  
Ontario (L52W). Stated Claims on Packaging







**NIQ**

**Value continues to matter the most**





How do Canadians see themselves when shopping?

**Price  
Driven**  
51%

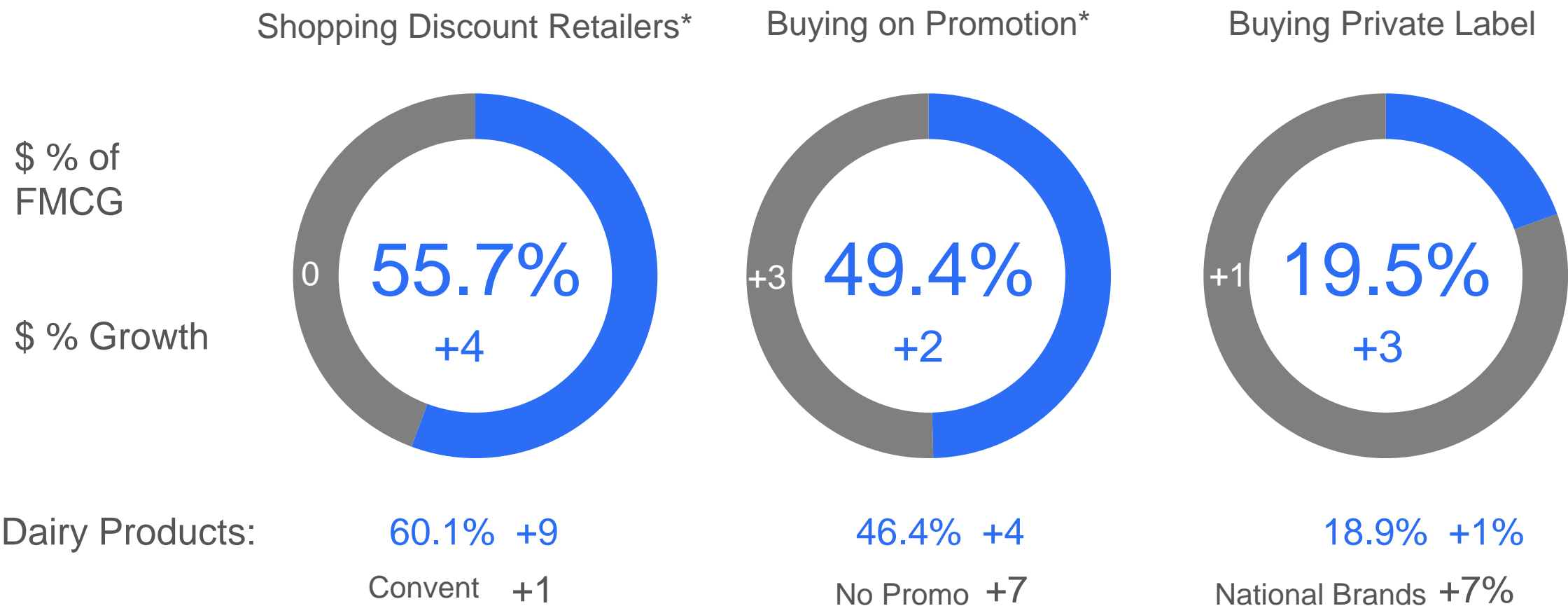
**Budget  
Driven**  
49%

**Quick in-  
and-out**  
32%

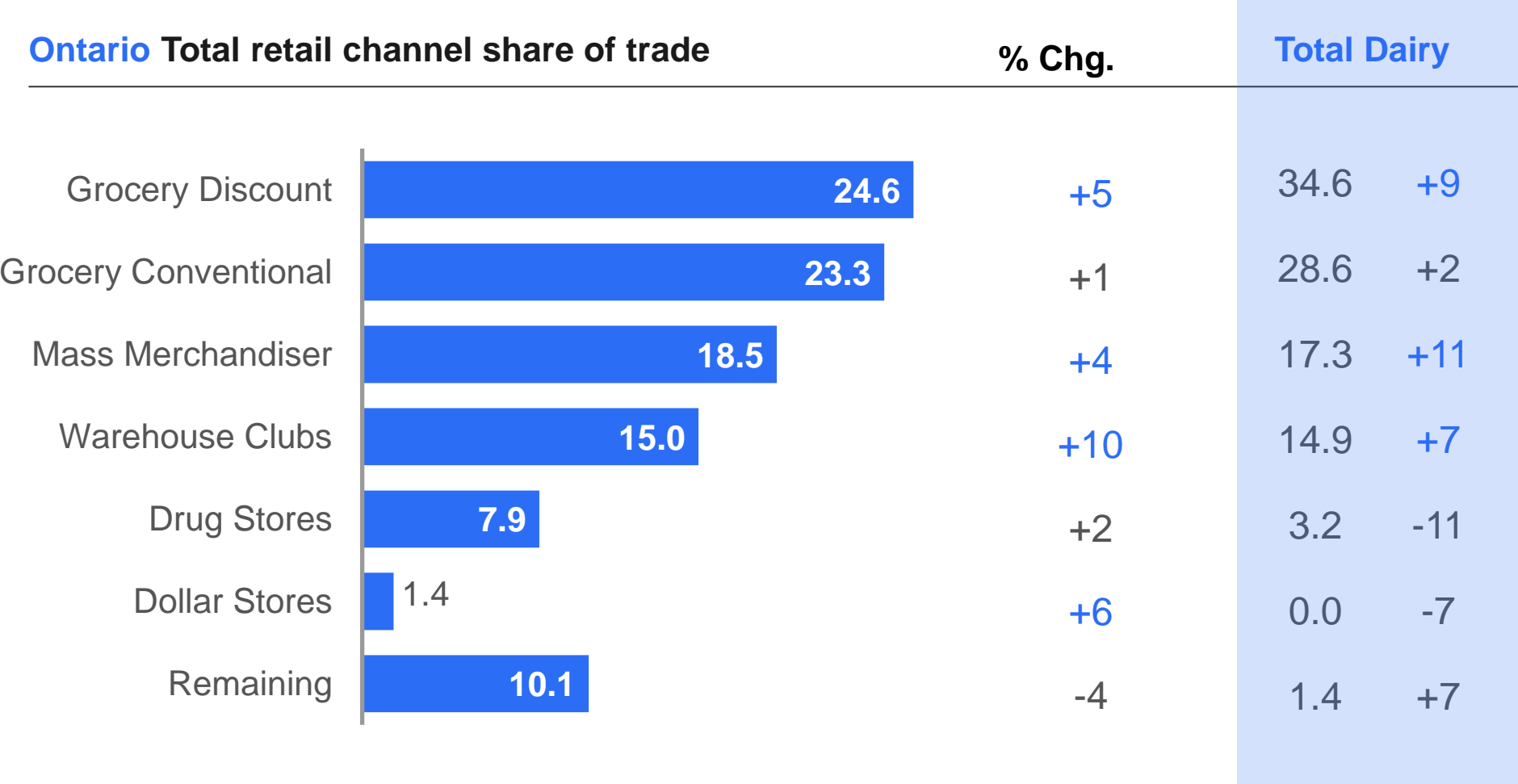
**Quality  
Driven**  
31%

**Values  
Driven**  
30%

# The Ontario shopper's need for value continues to fuel growth



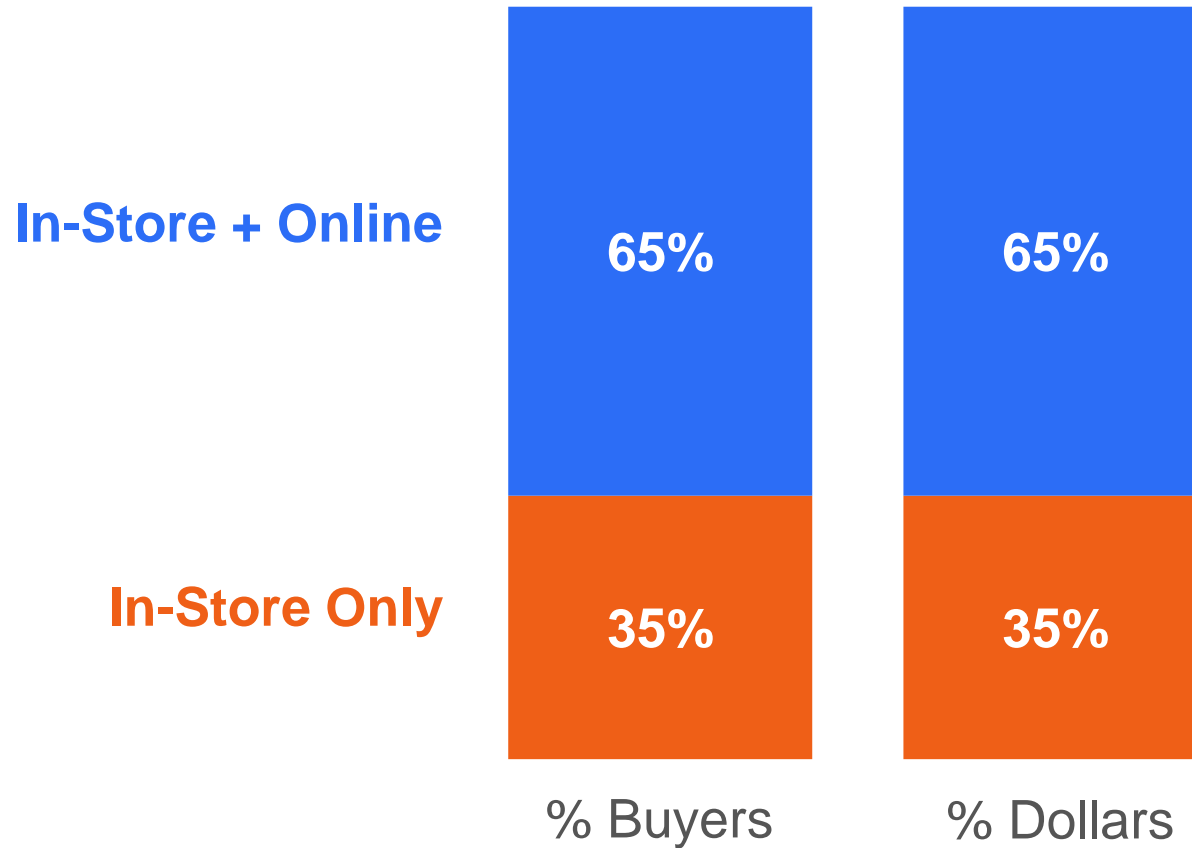
# As expected, the consumer wallet is growing in value-based retail formats



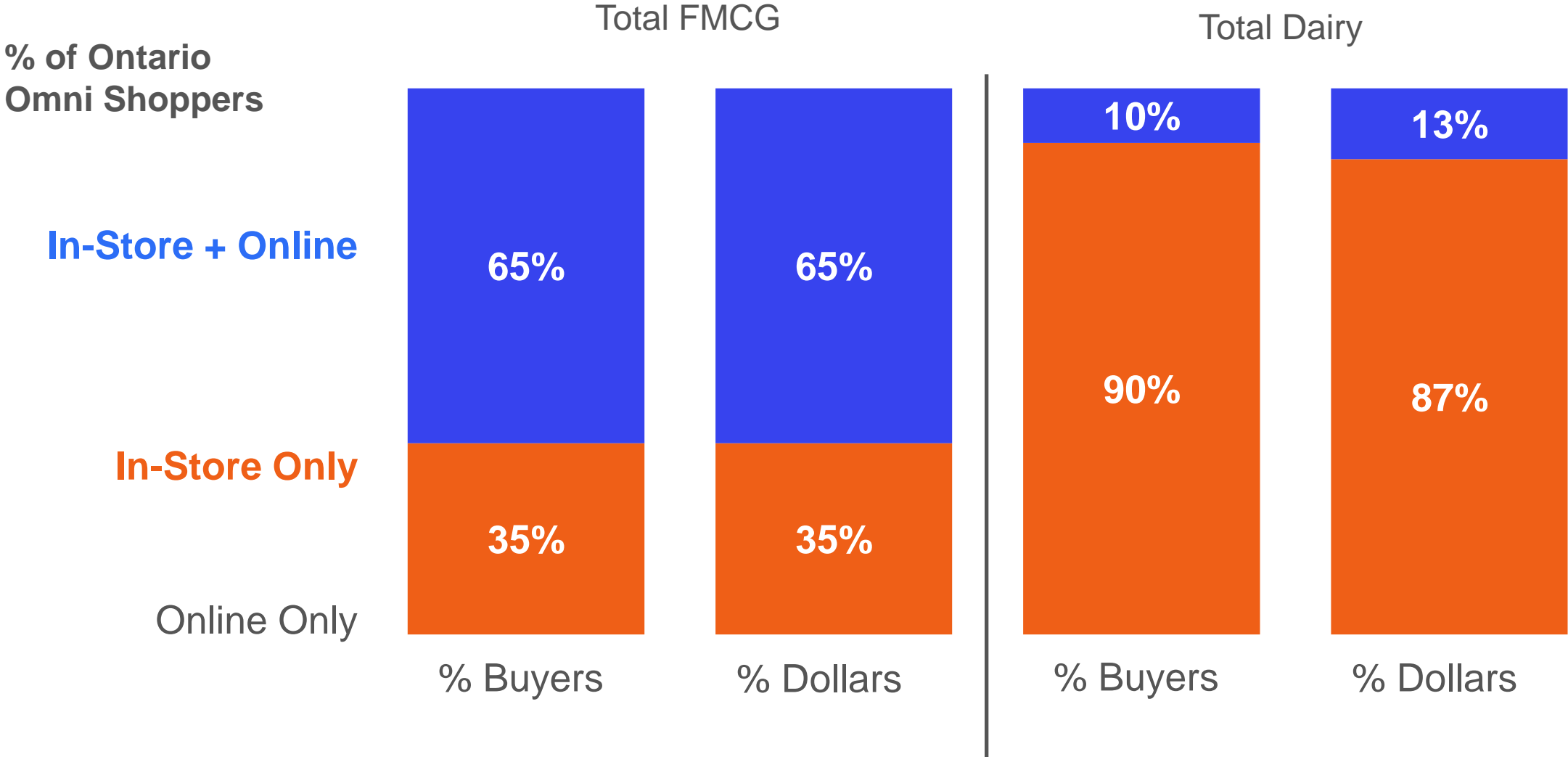


# Omni shoppers are important accounting for 2/3rds of FMCG sales

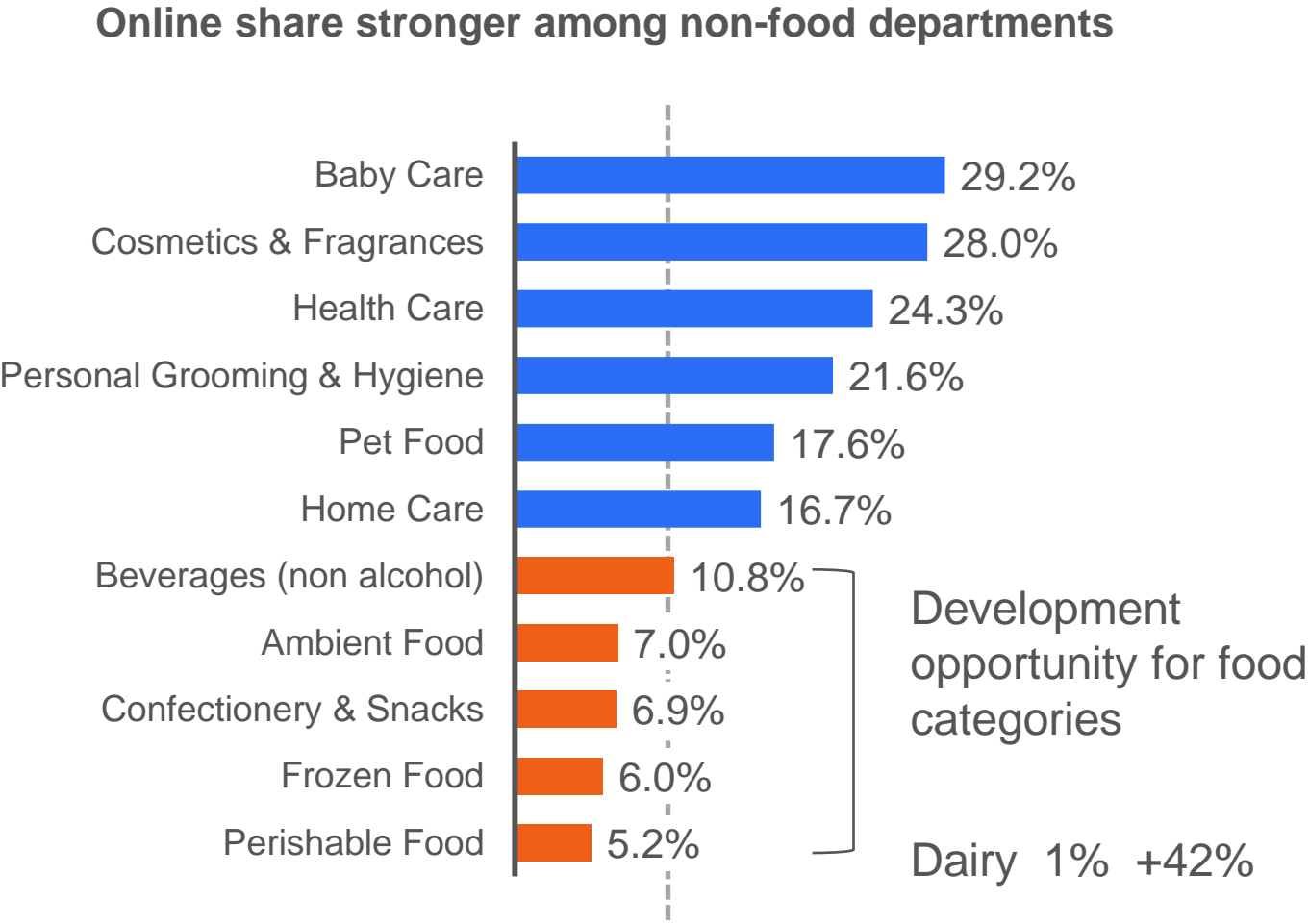
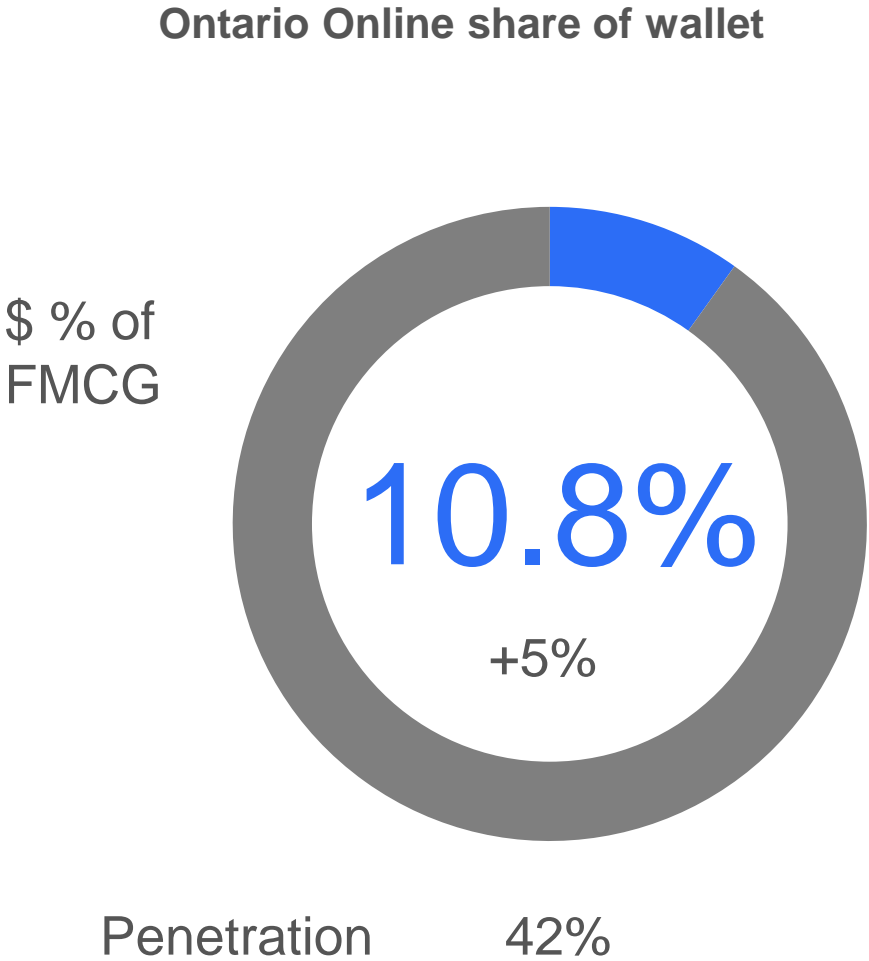
% of Ontario Omni Shoppers



# Dairy shoppers are more likely to shop only in-store

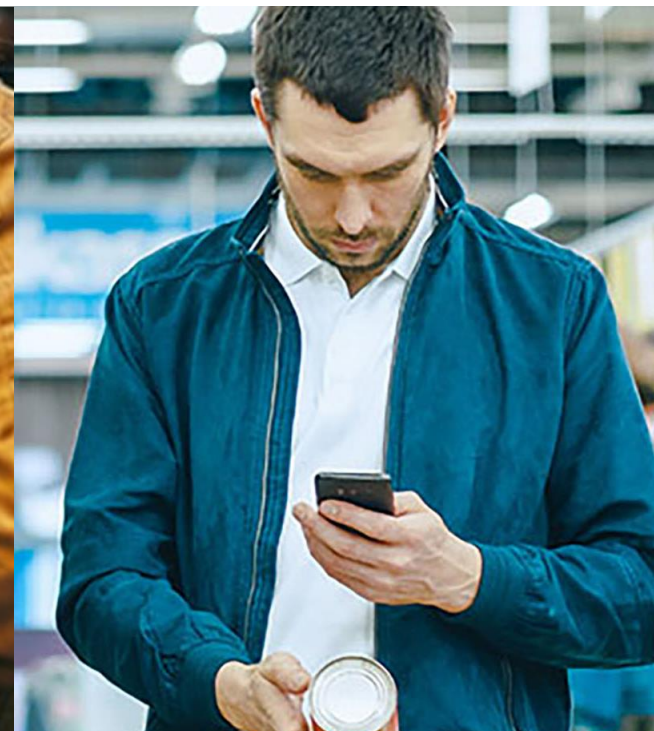


# Online has hit almost 11% share of wallet in Ontario for FMCG



# Navigating the Pressure Points

Key takeaways  
to fuel your growth.



NIQ

# Helping you navigate uncertainty

## Pricing Pressures

Need to understand how **price changes will impact your volume sales**. Defend against volume shift by knowing **how your brand interacts** with both domestic and international brands

## Slower Growth

Need to **capitalize on emerging consumer groups** to maximize growth potential. Immigration will slow but millions of new Canadians from the past 3 years are prime for the picking

## Value Velocity

The shift to value retail formats will fuel the **need for assortment strategies**. Promote with a purpose to maintain profitability.

## Omni Reach

Slower growth means you need to **reach consumers where they are**. Having an expanded view of retail channels (both in-store and online) will allow you to fish where the fish are.



# THANK YOU!

For more information about NIQ's research solutions, please connect your account representation or [Carman.Allison@NielsenIQ.com](mailto:Carman.Allison@NielsenIQ.com)

To receive a copy of this presentation



## NIQ

### About NIQ

NIQ, the world's leading consumer intelligence company, reveals new pathways to growth for retailers and consumer goods manufacturers. With operations in more than 100 countries, NIQ delivers the most complete and clear understanding of consumer buying behavior through an advanced business intelligence platform with integrated predictive analytics. NIQ delivers the Full View.

NIQ was founded in 1923 and is an Advent International portfolio company. For more information, visit [NIQ.com](https://www.niq.com)

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