

Farmers and Food Prices

2026

Food Prices are going up;
the Farmers' Share is not.



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Executive Summary

The Agricultural Producers Association of Saskatchewan (APAS) continues to update its analysis of seven retail food products made from Saskatchewan farm commodities. These annual updates are intended to improve transparency and deepen public understanding of the relationship between farm-level prices and retail food costs.

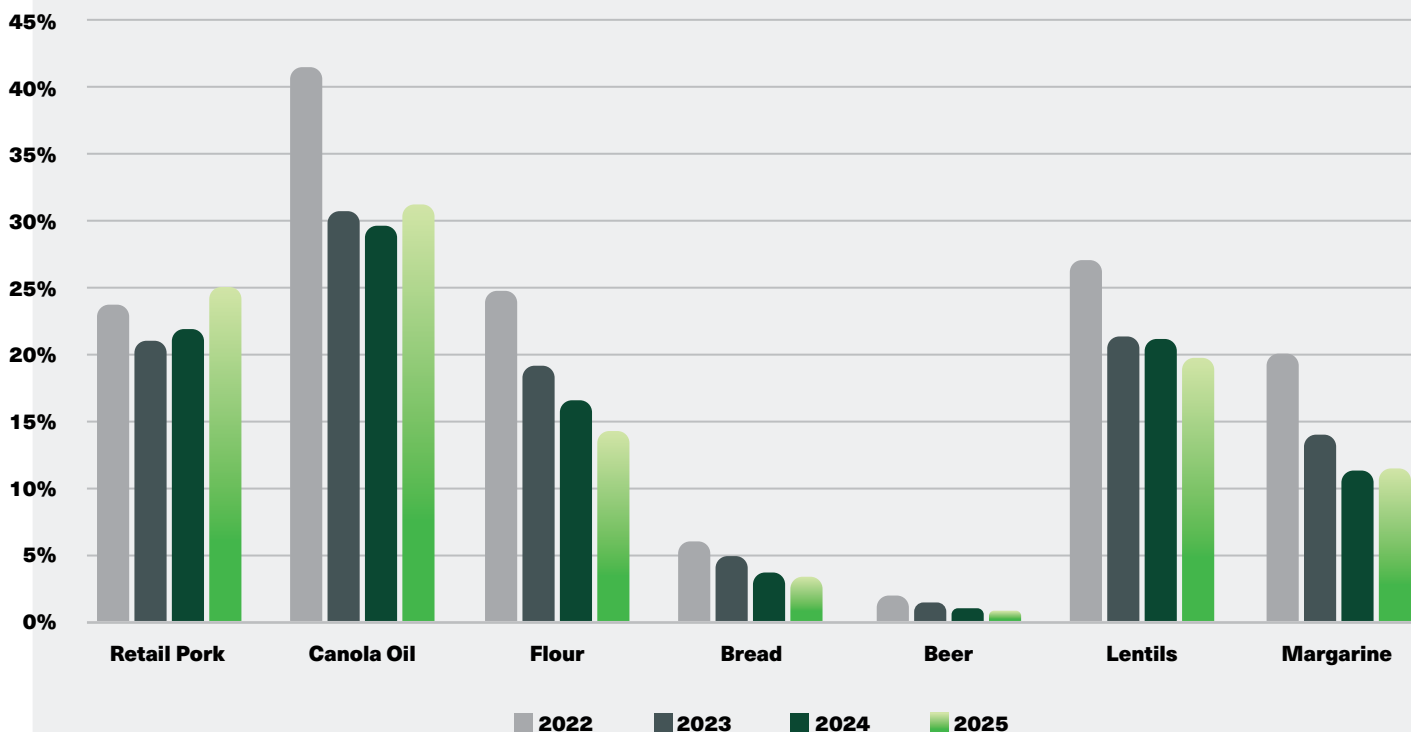
Ongoing global conflict and economic uncertainty have once again prompted grocery shoppers to question what is driving the price of food. Although this report reflects a year in review of 2025 data, it — when considered alongside previous editions — continues to show a clear and persistent disconnect between changes in commodity prices and changes in grocery store prices.

Producers and consumers are not on opposite sides of the food-price debate. Instead, they are both affected by a food system in which transparency diminishes beyond the farm gate. In the absence of clear accountability through the supply chain, APAS's analysis consistently demonstrates that producer prices are not the primary driver of rising

grocery costs. Despite a year characterized by tariffs, trade uncertainty, and shifting global market conditions, the data show relatively modest movements in both commodity and food prices. Even so, farm shares declined for many of the products tracked in this study. It is important to note that farm shares do not represent producer profits; rather, it reflects the portion of a retail food dollar that returns to the farm before production costs are considered. Conditions in 2026 will warrant closer examination of rising producer costs that are not being matched by corresponding increases in commodity prices.

Through this work, APAS continues to advocate for a more equitable, accountable, and transparent food system—one that supports both Saskatchewan producers and Canadian consumers. Across four years of conducting this study it emerges quite clearly that producers and consumers share a common challenge: both are being squeezed by a murky, complex supply chain. Farmers face escalating input costs and declining commodity prices, while consumers grapple with persistently high grocery prices.

Farm Share



Introduction

Conversations in 2025 were dominated by trade uncertainty and the ongoing threat of tariffs. New developments emerged almost weekly, particularly from the United States, while additional trade concerns surfaced across global markets. For consumers, the impact of these dynamics on grocery prices was often unclear, as some products faced retaliatory tariffs while others—sourced domestically or from alternative trading partners—did not. Even amid an increased interest in purchasing Canadian-produced food, producers were unlikely to benefit directly from this shift. Global commodity markets, rather than consumer intent, continue to determine the prices farmers and ranchers receive.

The 2026 Farmers and Food Prices Report by the Agricultural Producers Association of Saskatchewan (APAS) compares the prices producers received for key commodities with the prices consumers paid for corresponding food products at the retail level. Understanding the 'farm share' of a grocery store price

helps clarify the role producers play in the overall cost of food. Comparing changes in farm share alongside inflationary trends in both commodity and retail prices further illustrates the limited influence commodity prices have on food costs.

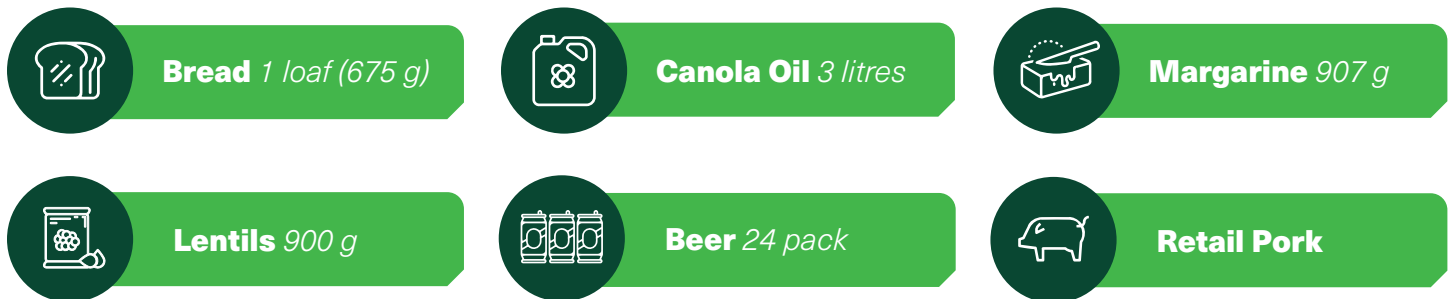
APAS is committed to improving transparency at the producer level of the food supply chain—a segment that remains poorly understood by many consumers. While transparency alone does not lower grocery prices, it does create accountability and provides a foundation for calling on other supply-chain participants to do the same.

The 2026 report continues to build on our previous year's work, highlighting what may seem to be relatively small year-over-year changes in commodity prices, food costs, and farm shares. Taken together, however, these findings continue to reinforce a consistent conclusion: agricultural producers are not the primary drivers of rising food costs.

The Study

Seven food products were analyzed using a methodology adapted by Kevin Grier from the United States Department of Agriculture's Economic Research Service.

For each product, farm share was calculated by comparing the retail price paid by consumers with the price received by producers for the underlying agricultural commodity. The following products were included in the study:

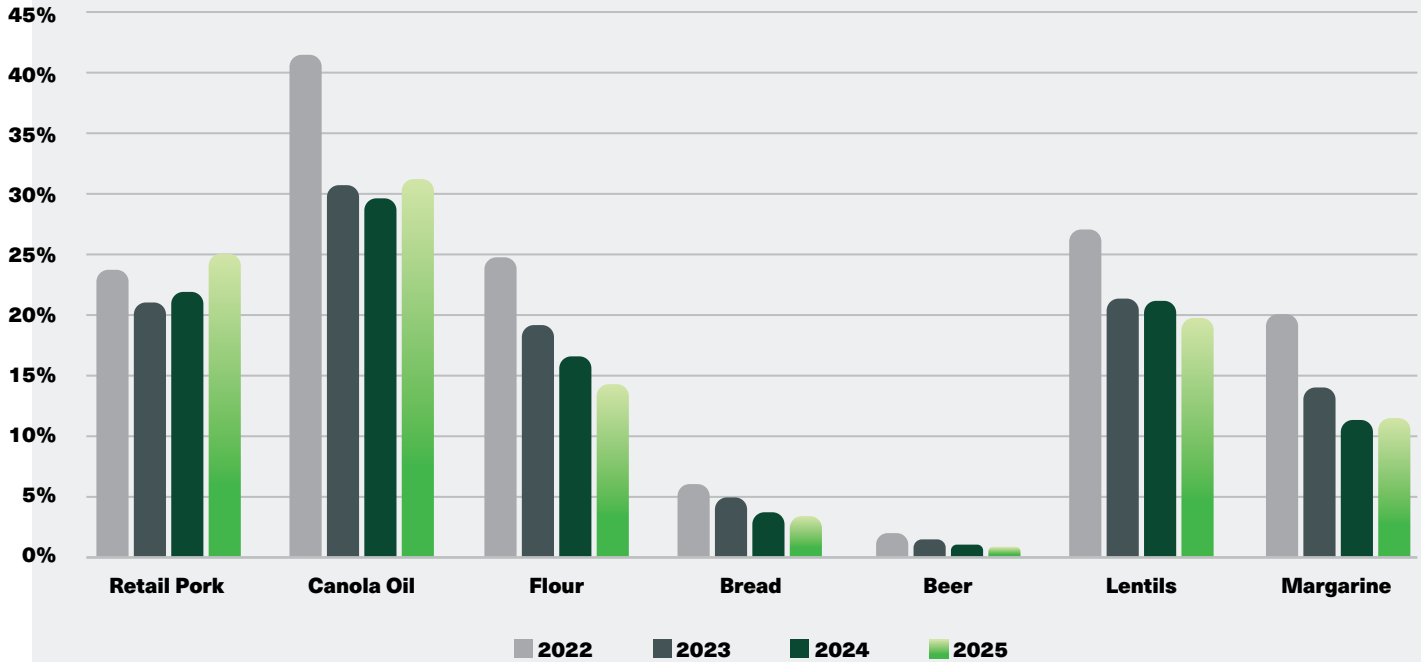


These products were selected because they represent key commodities produced in Saskatchewan, including hogs, canola, wheat, barley, and lentils. They are also common household food items and reflect a range of processing levels, from minimally processed to highly processed products.

Pork is analyzed as 'retail pork', meaning it does not represent a single cut of meat. Instead, it reflects the combined retail value of all cuts derived from a harvested animal. This provides a more accurate representation of the relationship between hog prices and retail pork prices.

The Results

Farm Share



Across more than half of the food products tracked in this study, the farm share of the food dollar declined in 2025. These changes can be broadly grouped by commodity type. Grains-based products, including wheat, barley, and lentils saw a decline in farm share, while products derived from canola and hogs saw only modest increases.

When the 2025 report was published last year, expectations were that tariffs and heightened market volatility would result in more pronounced shifts in farm share. However, those anticipated impacts did not materialize. Overall, both commodity prices and retail food prices remained relatively stable compared with the volatility observed in previous years.

Change in Price

Product	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025
Canola (<i>commodity</i>)	+43%	-16%	-21%	+1%
Canola Oil (<i>grocery</i>)	+41%	+13%	-18%	-4%
Margarine (<i>grocery</i>)	+34%	+21%	-3%	-1%
Wheat (<i>commodity</i>)	+49%	-14%	-21%	-7%
Flour (<i>grocery</i>)	+12%	+9%	-15%	+6%
Bread (<i>grocery</i>)	+18%	+6%	-6%	+1%

Change in Price (continued)

Product	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025
Lentils (<i>commodity</i>)	+20%	-5%	-5%	-12%
Lentils (<i>grocery</i>)	+19%	+9%	-4%	-5%
Barley (<i>commodity</i>)	+55%	-14%	-27%	+2%
Beer (<i>grocery</i>)	+3%	+19%	+7%	+5%
Hogs (<i>commodity</i>)	+11%	-10%	+5%	+10%
Pork (<i>grocery</i>)	+13%	+2%	+3%	+4%

Examining price changes across both commodity and grocery categories shows that, while trends occasionally move in the same direction, there is little evidence that commodity prices directly drive retail food prices. This disconnect is particularly evident in canola products between 2022 and 2023, where commodity prices declined sharply, while retail prices of margarine and canola oil continued to rise. A similar pattern emerged in 2024 and 2025, when wheat prices fell by seven percent, yet flour and bread prices continued to increase, albeit modestly.

These findings reinforce the conclusions drawn in previous editions of this study: the food supply chain is highly complex and lacks transparency beyond the farm level. Unlike agricultural producers, many other participants in the supply chain have greater flexibility to set prices and pass rising costs on to consumers. As a result, changes in farm level commodity prices are often disconnected from the prices consumers ultimately pay at the grocery store.

Increasing Costs

Conditions in 2026 have introduced a new set of market pressures, with global conflict replacing tariffs as a primary source of uncertainty. One of the most immediate and visible impacts has been rising fuel prices, particularly gas and diesel. These increases affect every stage of the food system, making it more expensive to move products from farms to processors and, ultimately grocery stores.

While APAS works to improve transparency at the producer level through this analysis, much of the remaining supply chain remains opaque. Greater clarity throughout the system would allow for a more accurate understanding

of which costs are being absorbed by supply-chain participants, and which are being passed on to consumers.

For producers, rising input costs—such as fuel, fertilizer, and other essential inputs—cannot be readily passed along. Prices for agricultural commodities are set by global markets, not by individual farmers and ranchers. As a result, even in years when production costs increase significantly, these pressures are unlikely to translate into higher farm-gate prices and are not the primary drivers of higher food prices at the retail level.

Conclusion

Despite widespread concern that tariffs and trade disruption in 2025 would trigger another period of rapid grocery inflation and weak commodity prices, the data show relatively modest year-over-year changes. Across most tracked food products, however, the share of the retail food dollar returning to producers continued to decline.

The relative stability observed in 2025 contrasts sharply with the challenges facing producers and consumers in 2026. Rising input costs show little sign of easing, raising an important question: who bears these costs, and who ultimately pays? In many cases responsibility is difficult to pinpoint, but the burden is likely to be shared. The past four years of this study have continued to show that producers and consumers share a common challenge: both are being squeezed by a murky, complex supply chain. Farmers face escalating input costs and declining

commodity prices, while consumers grapple with persistently high grocery prices.

It is critical to emphasize that farm share does not represent farm profitability. Instead, it reflects the portion of a retail food purchase that returns to the producer before accounting for the costs of production. A declining farm share, particularly during periods of rising input costs, places additional financial pressure on producers.

Through the continued publication of this report, APAS remains committed to improving transparency within the food supply chain and advocating for greater accountability from all participants. A clearer understanding of where food dollars go is essential to supporting both Saskatchewan producers and Canadian consumers.





Agricultural Producers Association of Saskatchewan

3401A Pasqua Street Regina, SK S4S 7K9

306-789-7774 | info@apas.ca | www.apas.ca