CAPI
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Deep Dive #1: Trends in Canadian Consumer Demand for Environmental Attributes in Food

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1 Introduction

This deep dive report has been commissioned by Agriculture and Agri-food Canada (AAFC) as part of the AgriCommunication Initiative (Stream 2). The purpose of this report, and subsequent industry engagement, is to inform and engage with agriculture and agri-food producers about the evolving nature of Canadian consumer demand and implications for the Canadian agriculture and food industry.

This report aims to support both government and industry stakeholders in understanding why and how consumer behaviour, demand, and expectations evolve in the medium-term and to what extent these consumer trends will potentially impact the agriculture and agri-food sectors. This will support ongoing dialogue within and between governments and industry on how to best position the sector to respond to these trends.

Food choices matter to Canadians. For some, the food they eat is an expression of their identity and deeply held values. Canadians are interested in how food is produced, how it influences their health, and perhaps most importantly, how to ensure reliable access to affordable supplies of it. This research examined Canadian consumers' attitudes and preoccupations with respect to food purchases. Four trends were identified that are expected to influence consumers' food choices over the medium-term, i.e., roughly the next 10 years. Each of these four is described briefly below.

Canadians are concerned about the impact of food systems on the environment. They also register concern about the impacts of climate change on food production. Seniors are more likely to express very high levels of concern with the environmental sustainability of agricultural production, though younger adults are more likely to say that their purchase decisions are influenced by (perceived) climate impact. A preoccupation with environmental sustainability can influence consumer behaviour in a variety of ways, including through a preference for locally produced food and efforts to reduce food waste. However, it is not easy for consumers to discern how food choices impact the environment. There is a low level of reliance on label claims to identify sustainably produced food, combined with scepticism about companies' environmental claims. Consumers are expected to continue to seek information about ways to reduce the negative environmental impact of food choices.

Consumers are very interested in the impact of diet on health and well-being. This is a relatively longstanding interest that is expected to remain highly influential in the coming decade. After price, the nutritional and quality attributes of food tend to be the most influential determinants of food decisions. Specific food-health preoccupations are driven by new scientific knowledge as well as media- or celebrity-based fads that are sometimes quite short-lived. However, despite changes in the specifics, the underlying consumer desire to better understand how food choices affect health outcomes is persistent. Women and young adults are the most likely to be interested in healthy eating, though diet and health concerns cross generational lines. Current health-related trends that are expected to have staying power include the trend toward increasingly personalization of diets based on gender, age, and/or specific health concerns. Consumers are also expected to remain interested in increasing the amount of fresh produce and protein in their diets, especially plant-based proteins.

While price has always mattered to consumers, recent high food price inflation has focussed the Canadian consumer's attention on food affordability. Pandemic-related supply disruptions generated a new set of concerns about food availability. Many experts expressed the view that heightened concern about food security could continue to drive consumer behaviour for at least the next few years and possibly longer. Underlying this view is an expectation among some experts that disruptions to global food production and distribution systems will be frequent in the coming decade. There is also some evidence that food price shocks influence consumer Industry implications of evolving consumer behaviour even after the shock has abated. Consumers have been responding to food price concerns by "trading down" in a variety of ways: they are shopping at discount stores, choosing private-label products, taking increasing advantage of product sales, and buying less fresh and/or high-protein food. They are also seeking to reduce food waste.

The fourth and final trend is increased consumer interest in the social sustainability of the food system. Unlike the other three trends, this is an emerging trend that has yet to have a major impact on the Canadian marketplace. The trend is driven in part by a concern for the well-being of food system workers (grocery cashiers,

farm labourers, meat cutters, etc) that came to prominence during the pandemic. It is also driven by a growing focus on diversity, equity, and inclusion and by the movements that seek to improve the position of historically marginalized groups in Canadian society. Finally, this trend includes the relatively more longstanding concern regarding the welfare of farm animals. Younger adults are particularly interested in social sustainability. The interest in social sustainability is expected by some several experts to be more widespread in the coming years and to drive changes in food purchasing behaviour.

These four trends present opportunities and challenges for the agri-food sector. The domestic market is only one of many markets served by Canadian food producers and manufacturers. It is also a very competitive market, where Canadians regularly chose products from around the world. Canadians' elevated expectations from the food system can therefore create challenges and opportunities for domestic producers and processors. Canadians want affordable, healthy food that supports environmental and social sustainability. Effective communication with Canadian consumers about food issues that matter to them will be critical. In a crowded informational environment characterized by misinformation and confusion, getting one's message across is not easy.

This report further explores demographic and attitudinal drivers behind consumer interest in environmental sustainability. It identifies the environmental attributes that consumers are looking for, and the degree to which they may find claims on the Canadian market that pertain, either directly or indirectly, to those environmental attributes. We will also examine consumer understanding of and trust in claims and logos, as well as their perceptions of a variety of specific environmental practices that could form the basis of new claims. Finally, the report considers the implications of existing information and trust gaps for the Canadian agri-food industry and identifies opportunities to improve consumer familiarity with environmental sustainability topics through communications and engagement.

1.1 Methodology

This deep dive report represents the outcome of research effort by Darcie Doan Consulting, the Canadian Agri-food Policy Institute (CAPI), and the Canadian Centre for Food Integrity (CCFI).

Darcie Doan Consulting conducted 12 one-on-one videoconference discussions with industry experts to inform the findings presented here. Each discussion was approximately 45 minutes in length. CAPI conducted one discussion. A representative of AAFC attended each of these discussions. One participant provided written responses to the discussion questions. Taken together, the consultation process with industry experts included 14 participants. Industry experts were from the following sectors: grocery retail (4), food marketing, market research, and food innovation (5), food and food ingredient manufacturing (3), agri-food investing (1) and academia (1). The discussions were semi-structured, and guided by a set of questions regarding which trends the industry expert believed would be most influential over consumer behaviour in the coming decade, how those trends are influencing and will influence consumer behaviour, and how their company/industry is responding or intends to respond to the trends.

Findings were refined and described by drawing on a review of relevant industry and academic literature, as well as data analysis. The literature review included recent, relevant, and publicly available materials regarding consumer trends in the Canadian food and beverage market including academic research into consumer attitudes and behaviour, public opinion research reports, trend reports, forecasts and reports by industry insiders, and studies of actual food and beverage spending.

Quantitative analysis, in the form of econometrics and aggregated queries, was performed on data provided by CCFI from its consumer trust surveys. The surveys were conducted by Ipsos in the years 2018 through 2023, inclusive. The resulting datasets were six distinct cross-sections; that is, individuals could not be tracked through the years as in longitudinal or panel data. However, observations were pooled together such that trends could be identified through time, to the degree that survey questions were similar enough to permit standardization of variables across each of the six datasets.

2 Executive Summary

Many Canadians are concerned about the environmental impact of human activity, including food production, distribution, and consumption. As climate change and other environmental issues become increasingly noticeable to individuals in their daily lives, as well as an enduring focus of the media's attention, consumer concern about environmental sustainability is expected by many industry experts to grow over the medium term.

Canadians look to governments and industry to do more to improve environmental outcomes, but they are also seeking to reduce their own emissions and environmental impact where they can. One way in which consumers seek to reduce their own environmental impact, or carbon footprint, is through their food product choices.

An interest in environmental sustainability has the potential to influence consumer behaviour in a variety of ways, including choices about products to buy and preferred suppliers of those products. However, unlike some other attributes, such as price, the environmental impact of a good is not directly discernible at the point of sale. Consumers must therefore rely on indirect signals, and they face a potentially confusing set of choices around what is or isn't sustainably produced.

Information about the environmental sustainability of specific food products may be available on a product website or on the label, but there is currently no clear, simple and credible way to easily identify sustainably produced food. Consumers have different definitions for sustainability as it pertains to food. They must, in most cases, exert effort to gather information, and then they must use their own judgement to determine whether or not a given food product is superior to substitute products on the basis of the information available. There is no definitive "sustainable food" label or even a "reduced GHG emissions" label claim on the Canadian market. Many consumers also express doubt, or distrust, regarding environmental claims. The lack of a clear and unequivocal signal or label, combined with a lack of trust in environmental claims, represent barriers to the full development of markets for environmentally sustainable food products in Canada. Consumers must be able to identify sustainable food in order to act on their expressed preference for it.

Communications efforts should build on expressed preferences and existing attitudes. Canadian consumers have positive impressions of locally produced food, associating it with environmental benefits among others. Canadians are also receptive to messages about actions taken to reduce waste. Environmental claims that relate to agricultural practices with which consumers are unfamiliar, or to hard-to-verify attributes such as GMG emission reductions, require careful development. Familiarity with these claims will be enhanced by standardization of terms and symbols. Credibility will be enhanced by association with well-respected brands or authorities, as well as transparency in terms of the monitoring, reporting, and verification that underpins the claim.

3 Consumer attitudes and awareness of environmental sustainability issues

3.1 What is sustainable food?

Canadians have a variety of different interpretations of what it means for a food to be sustainable. This divergence of opinion reflects a considerable degree of uncertainty on the topic.

The findings from two separate qualitative research studies conducted with Canadians by AAFC in 2022 and in 2023 suggest that most Canadian consumers are not confident in their ability to assess the sustainability of food, but nevertheless have generally positive impressions of the sustainability of the Canadian agriculture system. Consumers expressed that they were unable to assess the impact of agriculture on the environment, nor are they confident in their ability to identify sustainable agriculture practices or products (Earnscliffe Strategy Group, 2022). When asked if they believe that food produced in Canada is produced in an environmentally sustainable manner, most felt that they did not know, but many indicated that they assumed it was, particularly as they did not hear much to the contrary (Earnscliffe Strategy Group, 2023). (Agriculture and Agri-Food Canada, 2023a)Industry experts confirmed that while many consumers would like to choose more environmentally sustainable food products, they do not have confidence in their ability to do so. This lack of confidence reflects both a lack of knowledge about food production among consumers and a lack of readily available and easily understandable information about the environmental impacts of food products.

I think, unfortunately, that when it comes to environmental sustainability, people know that it matters but they don't know what to do. "Am I doing the right things? Should I be doing something else?" There is a desire to act, but there are price constraints and also constraints around knowing what to do. – Industry expert

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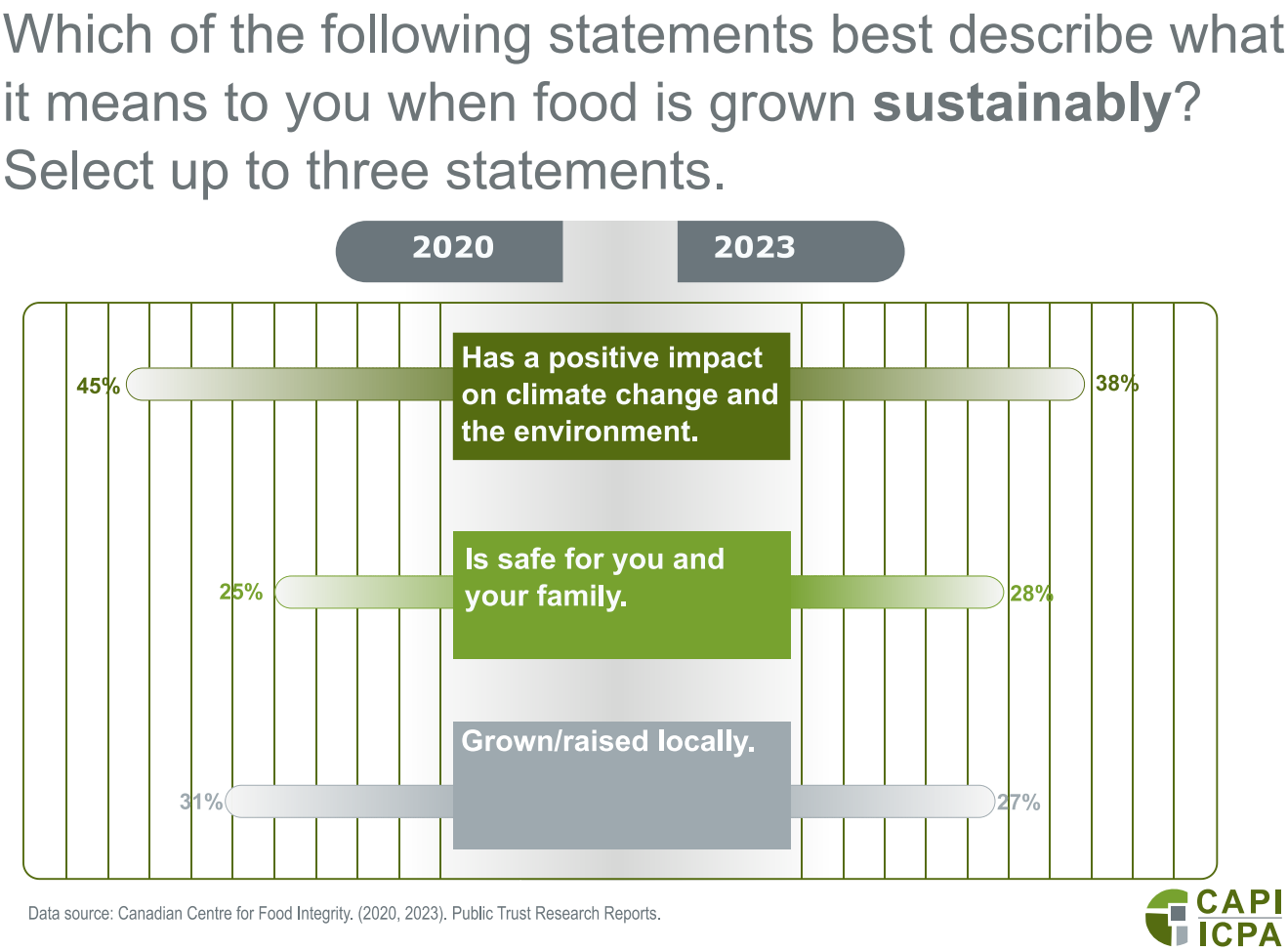
When it comes to food, consumers associate the broader term of "sustainability" with environmental issues, though there is no consensus on this definition. CCFI's 2020 and 2023 surveys regarding public trust among consumers found that, when asked to define what it means for food to be sustainably grown, the most popular definition (chosen by almost 4/10 respondents in both years) was "has a positive impact on climate change and the environment." Other popular responses, chosen by approximately a quarter of respondents each, were "is safe for you and your family" and is "grown/raised locally" (Canadian Centre for Food Integrity, 2020 and 2023). The emphasis on food safety may reflect the high priority placed on safety as a baseline, or fundamental requirement, for all food. The tendency to associate locally produced food with sustainability is a phenomenon that will be discussed further in later sections of this report.

Figure 1. Defining sustainable food.



3.2 Consumer ability to identify sustainable food

If a sustainable food is mainly understood by consumers as a food that has a positive impact on climate change and the environment, then the next logical question is: how do you identify whether a food has a positive impact on climate change and the environment? CCFI asked just this in their 2023 survey and found that very significant numbers of Canadians struggle with this question.

Of those Canadians who stated that sustainable food should have "a positive impact on climate change and the environment", a third had no idea how to identify these impacts. This was an open-ended question, meaning that respondents were not provided with a menu of answers to choose from, and could say anything and everything that came to mind. One third Canadians who were asked this question could not name even one strategy or source of information that they use to identify the environmental impact of a food item. A further 6% of Canadians were more definitive: rather than saying that they didn't know, they stated that *they cannot* identify if a product has a positive environmental impact. When taken together, fully 4 in 10 Canadians are not able to identify impacts.

For a sizeable proportion of consumers, then, it may simply be impossible to act on a preference for environmentally sustainable food. More than half of those people who did not know how to identify sustainable food valued sustainability as a decision-making criterion in food purchase decisions. ("Valuing sustainability" is defined as allocating at least 1 point to sustainability when respondents were given 100 points to allocate to various factors which affect food purchase decisions.) The perceived lack of a means to discern sustainability is likely a source of frustration for these consumers.

Other respondents named one or more ways of identifying environmental impacts and at the same time expressed doubt, implying that they had low confidence in their (and others') ability to make decisions based on environmental criteria. The following verbatim response, for example, illustrates this lack of confidence.

Q. How do you tell if a particular food item has a positive impact on climate change and the environment?

A. It's extremely difficult for a consumer to tell whether a particular food item has a positive impact on climate change and the environment, however one can look for labels that says no pesticides, certifications from environmental agencies or government, et cetera (Canadian Centre for Food Integrity, 2023a).

A further 21% responded to this question by saying that they rely on the "packaging" (12%) or the "label" (9%) to assess environmental impact (see Figure 2). When respondents mention "packaging" they typically mean the actual type of packaging used. These consumers are looking to reduce all packaging, or to reduce plastic specifically. They may also be looking for recyclable or compostable packaging. Other consumers are looking to the package as a source of *information.* These consumers want to find information on the product label that pertains to environmental attributes. Some consumers are looking for both – they want environmentally-friendly packaging as well as label statements that pertain to sustainability attributes. Consumers are also looking for information on provenance as a signal of sustainability, with 11% mentioning locally produced, and 4% simply referring to where it was produced.

Figure 2. "How do you tell whether a food item has a positive impact on climate change and the environment?"

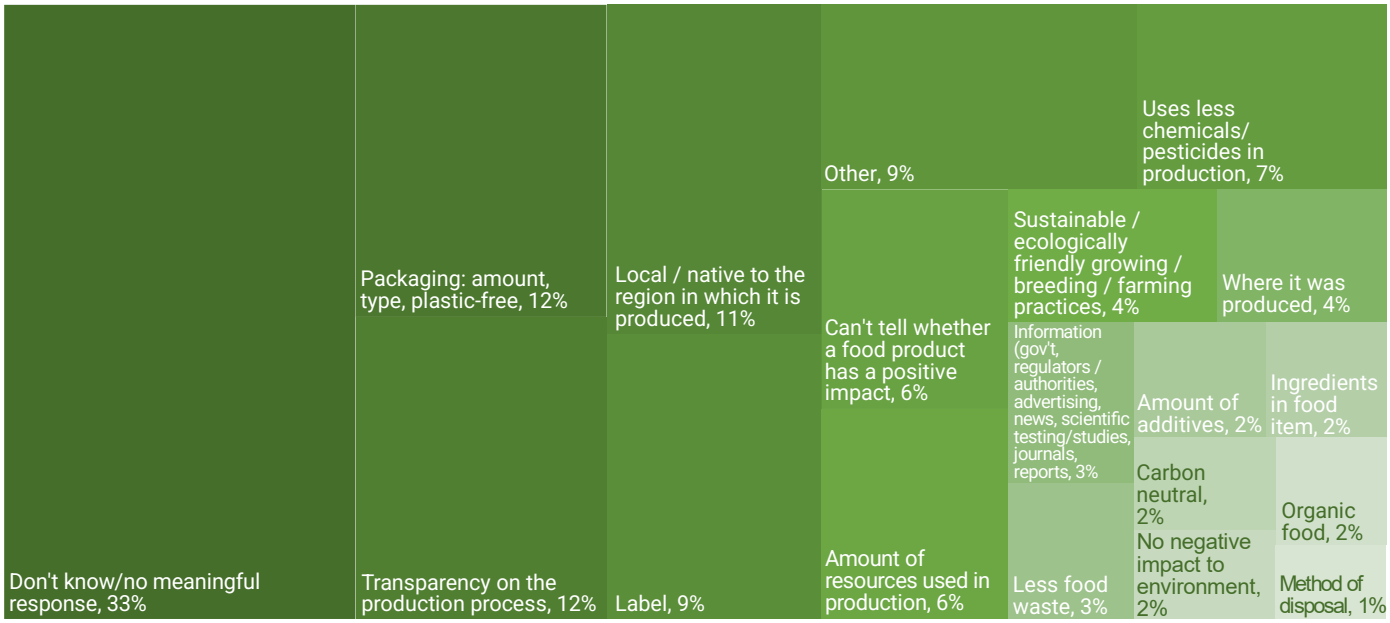


Image created internally. Data source: CCFI. (2023b). Consumer trust survey. [Dataset].

Qualitative research commissioned by AAFC in 2023 had similar findings. When asked how they can tell whether a food/product is environmentally sustainable, the most common mention was buying locally produced food, either at their grocery store or farmers' market. Also commonly mentioned was choosing products that have less, or more recyclable or biodegradable packaging (Earnscliffe Strategy Group, 2023).

Survey research conducted by AAFC in 2019 and 2023 found a greater reliance by consumers on label claims than that found in the other studies quoted here. In the 2023 survey, fully 75% of Canadians indicated that they used some type of label claim to identify sustainably-produced food, whereas 46% mentioned the type of packaging used and 36% mentioned local provenance (Agriculture and Agri-Food Canada, 2023a). The difference in results is likely explained by survey design. CCFI allowed open-ended responses, whereas the AAFC survey offered a list of options for respondents to choose from.

3.3 Consumer impressions of industry actions associated with sustainability

Consumers have difficulty identifying sustainable food products or practices. This is partly because sufficient information is simply not available to make this determination. It is also likely a result of the fact that consumers have an incomplete understanding of the practices that might improve the environmental sustainability of agriculture and food systems.

In their 2023 survey, CCFI explored which of several environmental practices are viewed by Canadian consumers as being the most effective. These practices spanned agriculture, food manufacturing, and retail. The results suggest that Canadian consumers deem those practices with which they are familiar as being more effective than unfamiliar practices.

Retailers donating surplus food to food banks was deemed effective at having a positive environmental impact more frequently than any other practice. This may reflect Canadians' current preoccupation with reducing food waste, and with food affordability. It may also reflect their familiarity with food donating, and the relative ease with which they can connect the action with positive outcomes.

Actions that had to do with reduced packaging were also relatively well-viewed among consumers. Again, reduced packaging and waste is a concept with which consumers will be familiar, and which they can directly discern at the point of purchase in some cases.

In contrast, the action that was viewed by consumers as least effective was "minimum tillage to reduce GHG emissions." Given Canadians' preoccupation with climate change and GHG emissions, this might appear to be a surprising result. A possible explanation is that Canadian consumers simply don't know much about tillage. A link between tillage and climate change is therefore far from obvious, which in turn gives rise to scepticism about the effectiveness of the practice.

Figure 3. Perceptions about effective sustainability practices.

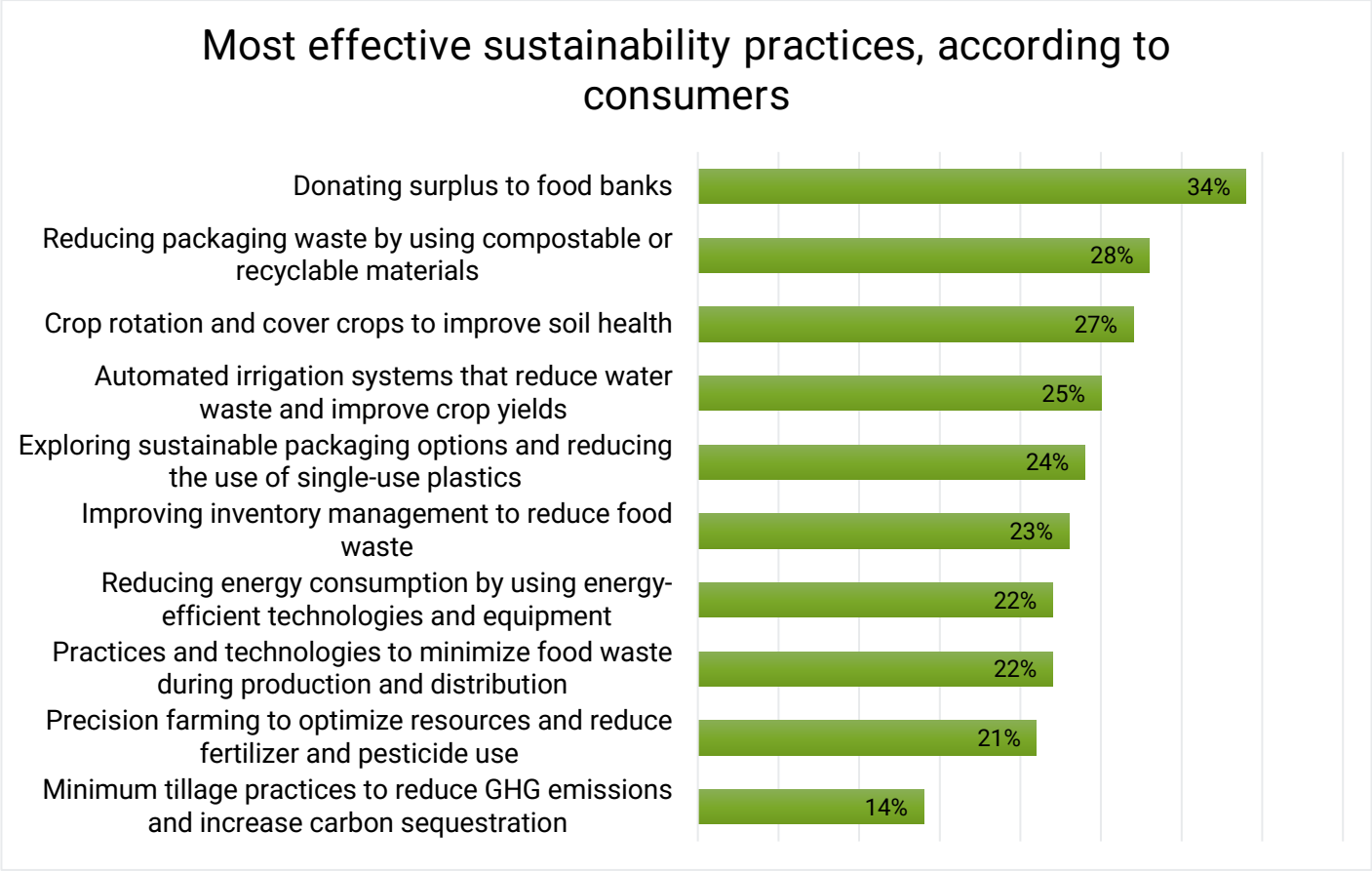


Image created internally. Data source: CCFI Consumer Trust Report, 2023.

4 Consumer behaviour associated with this trend

4.1 Information-seeking

Given the priority placed on the issue, along with the lack of knowledge about what to do about it, it is no surprise that concern about environmental impacts is associated with information-seeking and self-education behaviour.

In both the 2022 and 2023 public trust surveys by CCFI, thirty percent of all Canadians reported that they sought out information about sustainable or environmentally friendly food production in the past six months. The proportion was much higher (almost 50%) among those who expressed a high degree of concern with environmental sustainability and climate change.

4.2 Choosing products based on logos and label statements

As discussed above, among those who were able to name a strategy for identifying sustainable food, use of labels to identify impacts was among the most commonly named. Given the very limited space available on food packaging and the need to display several types of mandatory information there, manufacturers and retailers looking to voluntarily provide environmental information on packaging are forced to summarize and simplify this information. Logos and simple label claims are usually all that there is room for. In addition to placement on packaging, assurance logos and statements may be present on in-store signage, or as part of an online product listing.

There are a variety of logos and statements that are used to communicate some type of information about production practices including Canada Organic, free-range, non-GMO project verified, Rainforest Alliance, Marine Stewardship Council Certification, PC Free-From, Canada Roundtable on Sustainable Beef (CRSB)- certified.

In consumer survey research conducted by Canadian Roundtable on Sustainable Beef in 2022, they found that 1/3 of consumers check food labels for sustainability claims either often or always (CRSB, 2022). CCFI's 2022 public trust survey found that only a quarter of Canadians report (25%) report seeking out assurance logos when they shop. The difference may be partially explained by the different terms used, i.e. sustainability claims vs assurance logos. Among those who reported seeking out assurance logos in CCFI's survey, non-GMO and Canada organic logos were the most commonly sought. The breakdown is pictured in Figure 4. Because respondents could select more than one logo, the percentages do not add up to 100.

Figure 4. Assurance logos.

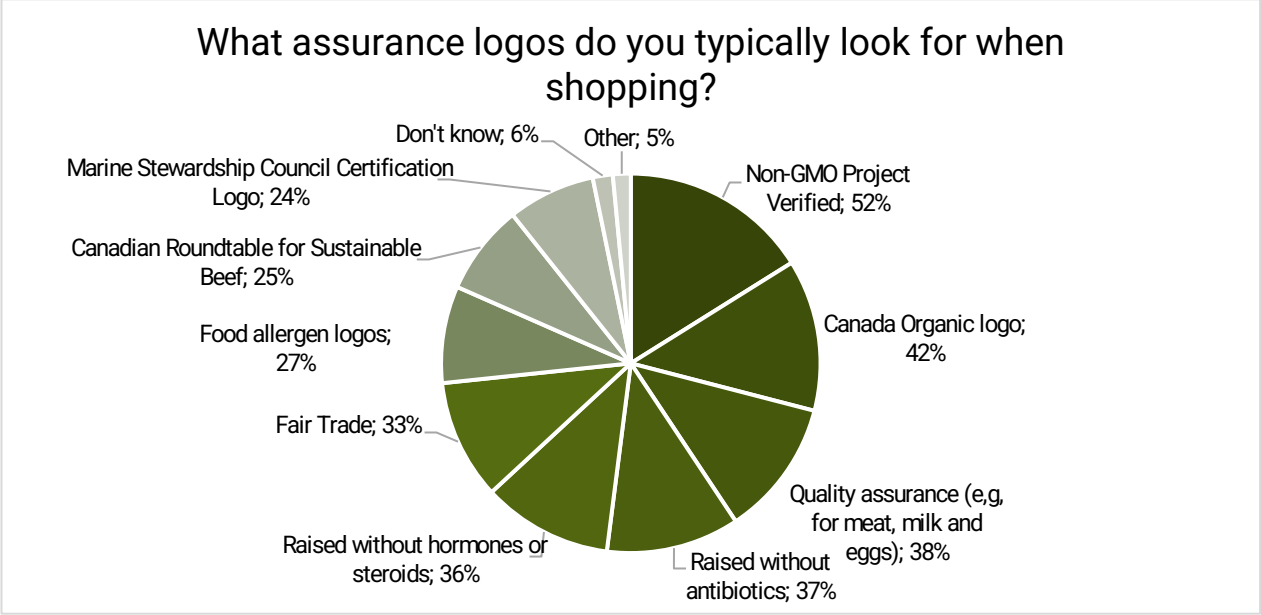


Image created internally. Data source: CCFI survey, 2022.

Consumer understanding of these logos/statements and the production standards that underpin them is likely to be incomplete. Industry experts express that Canadian consumers find the multiplicity of production-related logos confusing.

Qualitative research conducted by AAFC in 2023 into the impact of assurance logos on purchase intentions found that few Canadians were willing to say that assurance logos have had much impact on their purchase behaviour, often saying price outweighs such claims as a factor influencing purchase (Earnscliffe Strategy Group, 2023).

There also appear to be issues with the credibility of current logos and label statements among consumers. CCFI's 2022 public trust survey found that only 12% of Canadians say that sustainable food labels are very believable, while 11% find them moderately believable, and the vast majority (77%) said sustainability food labels were "not at all trustworthy" (Canadian Centre for Food Integrity, 2022, p. 36). The survey also found that the labels that consumers find most believable are those, such as nutrition fact tables and country of origin, that are consistently presented on packaged foods and backed by regulation. Consumer research by the CRSB in 2022 found that believability and trust in sustainability logos is improved when consumers trust the company whose product bears a sustainability logo, and when they are familiar with the organization that issues the certification (CRSB, 2022).(Earnscliffe Strategy Group, 2023, p. 3)

Consumers are sceptical of environmental claims made by companies, whether these are shown on the label or elsewhere. CCFI found that 41% of Canadians reported being "very concerned" about "greenwashing or misleading information about how a company's products are environmentally sound." (CCFI, 2022) A 2021 EY survey of Canadian consumers also found that there is a sustainability education gap among consumers and a lack of trust around sustainability claims — 73% of respondents in that survey said they needed more information to make better environmental choices when shopping, while 66% expressed a lack of trust in sustainable products due to deceptive marketing (Ernst & Young Global Limited, 2021).

The lack of trust regarding label claims may not be limited to sustainability claims. Recent research by CCFI took a broad look at consumer trust in information on food labels, and found that one third of Canadians are very concerned about misleading food labels or product information more generally (CCFI, 2023).

At the present time, there is no single logo or verified label claim on the Canadian market that speaks directly to environmental impact across a range of food products (including meats, fish, dairy, fruits and vegetables, processed foods, baked goods, etc). Some industry experts are calling for more consistent, harmonized metrics about sustainability to help consumers make informed decisions. Given the growing preoccupation with climate change, demand for a harmonized and verified approach to environmental labelling of food is expected by some to grow.

In 2023, CCFI asked consumers whether or not it was important to them that such a label exist. They found that there is significant support for a standardized sustainability label among Canadian consumers. Over half of respondents expressed that having third-party-verified, standardized sustainability labels on food products is important (7-10 out of 10), with almost one in four (23%) saying that they feel this is very important (9 or 10 out of 10). For respondents who allocated points to environmental impact as a decision-making factor when purchasing food, 61% said that a standardized sustainability label is important (7-10 out of 10), with 28% saying it was very important (9 or 10 out of 10).

Qualitative research commissioned by AAFC in the same time period (2022-2023) revealed similar findings, with focus group participants reacting broadly positively to the idea of assurance logos, but expressing that government oversight would be necessary to establish long-term confidence in a standardized label system (Earnscliffe Strategy Group, 2023, p. 3).

4.3 Buying organic for environmental reasons

It may be tempting to use "organic" as a synonym for "sustainable" and take consumer willingness to pay for organic products as a measure of consumer willingness to pay for sustainability, given that organic products are

typically sold at a price premium to their non-organic counterparts. However, this type of direct substitution misses key pieces of the picture. While organic food may be viewed by some consumers as synonymous with sustainable food, research shows that purchasers of organic food associate these products with a range of benefits, not all of them environmental.

Organically labelled food is widely available on the Canadian market and can be found on food products ranging from cuts of beef to breakfast cereal. The term "organic" and associated logos such as Canada Organic enjoy strong recognition among Canadian consumers. Research by the Canadian Organic Trade Association (2021) showed that almost 4 in 10 Canadians (39%) report being somewhat or very familiar with the Canada Organic certification mark. Awareness levels are, as one might expect, much higher (72%) among those who claim to buy a lot of organic products.

According to the Canada Organic Trade Association, the principal goal of organic production is to "develop operations that are sustainable and harmonious with the environment" (Canada Organic Trade Association, n.d.). Use of the term "organic" on food products in the Canadian market is governed by regulation, with most organic food products meeting the requirements set out in the Canadian organic product standard.[1] This standard incorporates many different production-related requirements, including a prohibition on the use of synthetic pesticides and fertilizers, genetically modified plant varieties, and antibiotics in feed.

Studies, including a global meta-analysis of environmental claims on food (Li & Kallas, 2021), have shown that consumers associate organic food with human health benefits more strongly than they associate it with environmental benefits. According to research by the Canadian Organic Trade Association (2021) the two most popular motivations for Canadians who report eating organic food is "to avoid highly processed foods and artificial ingredients" and because "organic food does not contain harmful pesticides or other chemicals." Both responses, chosen by more than 50% of respondents each, suggest that organic food consumers have an underlying motivation related to health. Research by CCFI in 2023 also suggests that health and food safety are primary motivating factors for choosing organic food. When it comes to food safety, Canadians top 3 concerns are around "chemicals in food", "pesticides in food," and "hormones in food," with "genetically modified organisms" coming in fifth (CCFI, 2023). Insofar as organic food is seen to be free of these things, it may be viewed as safer and more healthy than non-organic food.

Many Canadian consumers of organic products are also motivated by the environmental benefits they associate with organic agriculture. "Organic food is better for the environment" is the third most popular motivation for eating organic, chosen as a motivating factor by over 40% of those who buy organic food (Canada Organic Trade Association, 2021). The survey also asked a broader group of Canadians (i.e. not limited to organic purchasers) what attributes they associate with the Canada Organic label. The two most popular responses were "free from pesticides" and "good for the environment" (Canada Organic Trade Association, 2021).

According to some industry experts, the line between "good for me" and "good for the planet" is increasingly blurred. A preference for organic food may therefore be part of a holistic approach to health, where the consumer views their own health as related to the well-being of animals, soil, plants and the environment more generally. Some industry experts associate this more holistic view with younger adults, particularly the so-called Gen Z. As this generation moves into its family-rearing stage, several experts expect it to become a larger market segment responsible for a greater share of total grocery spending and hence, for spending on food with organic or other sustainability-type labels to increase.

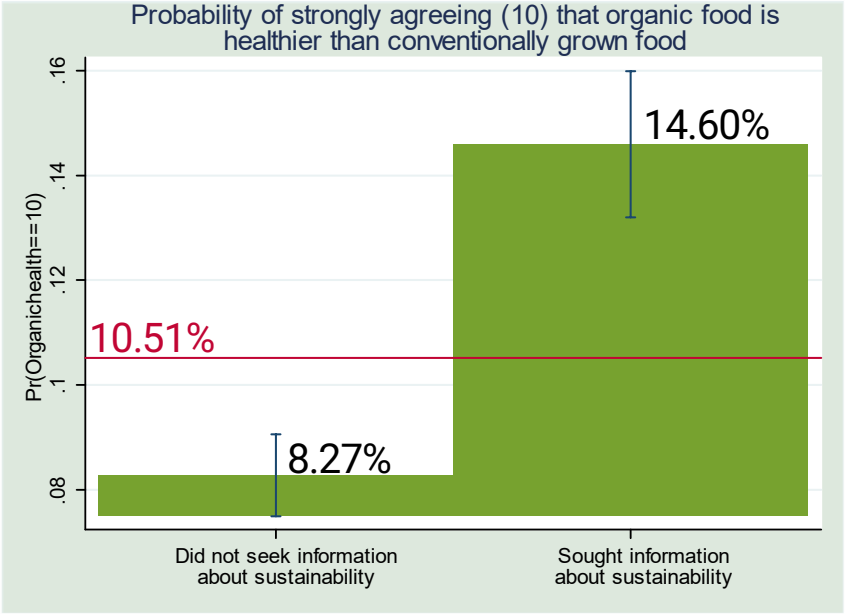
Evidence supports this view. In a 2021 study of Canadian consumers, the Canadian Organic Trade Association (COTA) found that Gen Z, despite being the age group with the lowest income, was the generation most likely to spend a quarter or more of their weekly food budget on organic items. Environmental claims were at the core of this generation's motivation for choosing organic products. Sixty percent of them said that one of the main

[1] Organic food products that are sold in the province in which they are produced may not need to meet the Canadian organic standard.

reasons they buy organic is because “organic food is better for a healthy environment.” There is also evidence that households with young children are more likely to purchase organic foods than other households (Thompson & Kidwell, 1998; Loureiro et al., 2001; as cited in Dimitri & Dettmann, 2012; Makatouni, 2002), especially as a mothering choice (Cairns et al., 2013). In Canada, 76% of households with children report buying organic foods (Canada Organic Trade Association, 2022).

Econometric analysis of the CCFI survey data confirms that there is an association between a belief in the health benefits of organic food and an interest in environmental sustainability. Each year, consumers are asked in the CCFI survey the degree to which they agree with the following statement: “Food grown organically is healthier than conventionally grown food.” The percentage of respondents who strongly agree has been approximately 10% each year. Econometric analysis showed that the best predictors of thinking that organic food is healthier than non-organic food were seeking out information about sustainability, and income per adult in the household.[2] For those who report having sought out information about sustainable or environmentally friendly food production, the likelihood of also strongly agreeing with the statement about organic food is higher than for those who do not report having sought out information about sustainable food production (14.60% vs. 8.27%). The average predicted likelihood of thinking that organic food is healthier than conventional food is 10.51% (red line pictured below).

Figure 5. Health benefits of organic food and interest in sustainability.



Data source: CCFI surveys, 2018 through 2022; image created internally based on results from econometric models.

4.4 Buying local

There is a widespread association between local and sustainable food among Canadian consumers. When asked in the 2020 CCFI public trust survey to define what it means for food to be sustainable, fully 31% of all Canadians equated sustainable food with locally produced food. In 2023, this percentage held approximately steady at 28%. Furthermore, when asked how they go about identifying a food item that is sustainable, 11% of Canadians say they choose local food.

This association likely rests on the reduced distance to market (and hence reduced GHG emissions from transport) and perhaps on an increased level of trust in local producers to care for the environment, when

[2] Higher levels of income per adult in the household meant that respondents were less likely to strongly agree with the statement that organic food is healthier than non-organic food.

compared to foreign producers. There is, however, very little available survey evidence that could elucidate the environmental advantages that consumers associate with local food products.

There is also limited information regarding how consumers define local. It is likely that consumers define it in a range of ways, and that what is considered local varies depending on the food products. For example, it may be enough for seafood to be from somewhere in Canada, whereas in-season fruit might be expected to come from within the region or province. One survey by AAFC (2023) found that the majority (59%) of Canadians define local as food produced within their region of the province (42%) or within their city or town (17%) (Agriculture and Agri-Food Canada, 2023c).

One of the main advantages of using local as a proxy or leading indicator for sustainability may be the perceived trustworthiness of information related to the provenance of a food item. Most food labels show the manufacturing facility address, or importer address, in addition to the country of origin. Labels also often highlight provenance through for e.g. “Made in Canada” claims and/or the use of the Canadian flag. In the case of produce such as fruits, vegetables, and meat, signage in the store generally indicates country of origin and may go further, indicating province or even regional origin. Research by COTA (2021) showed that consumers found claims related to “local” and “Made in Canada” to be the most trustworthy of any of the label claims tested. Survey research conducted by AAFC in 2023 found, similarly, that “locally produced” was the most believable label claim of all those tested, followed closely by nutrition facts and the ingredient list (Agriculture and Agri-Food Canada, 2023b).

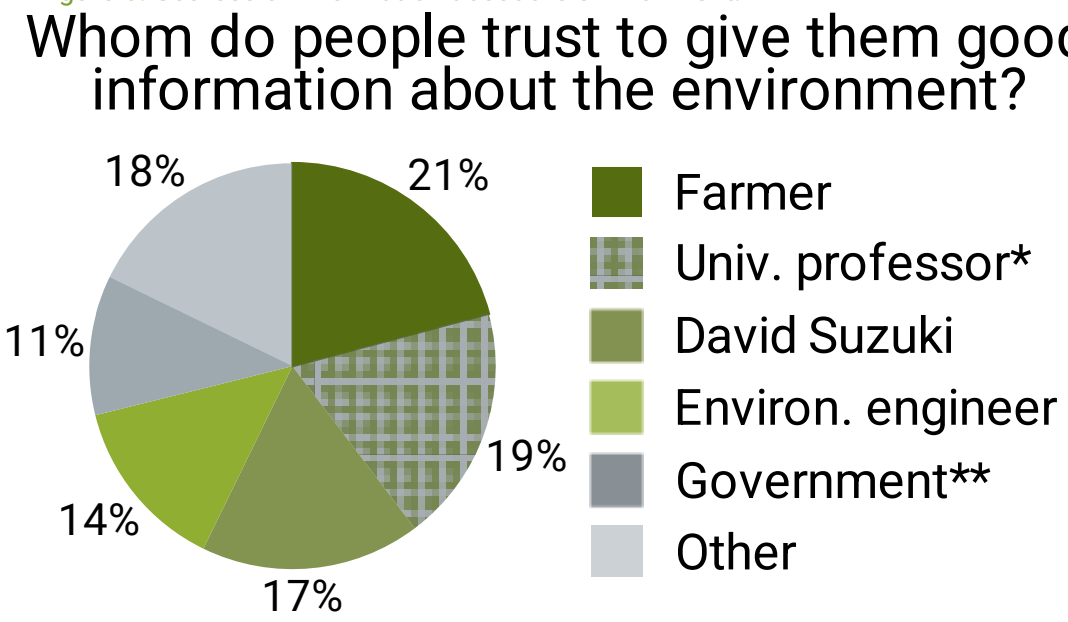
The econometric models support the claim that people who seek information about local food are more concerned with sustainability than those who do not seek out local food. The 2022 and 2021 CCFI surveys asked respondents how often they seek out locally produced food products: always, sometimes, rarely, or never. Those who responded “always” had a 37.57% chance of also being concerned with sustainability, versus a probability of 16.43% for those who responded “never.”

4.5 Beyond the label: alternate ways to communicate with the consumer

Some industry experts expressed a preference for telling their environmental “story” online or through social media rather than on the label, both because of consumer scepticism regarding label claims but also because the label is viewed as an already-crowded space in which it is difficult to effectively communicate additional information. According to industry experts, consumers often research food-related issues before visiting the grocery store, looking to social media and other online sources for information about production practices. Consumer research by CRSB in 2022 would seem to support this: six in ten Canadians indicated that they go to the internet to find information about environmental sustainability and production practices. Consumers also speak with friends, family, and others that they view as being knowledgeable about food.

As pictured here, CCFI survey results suggest that farmers and professors are viewed as a credible source of production-related information. In 2019, the CCFI public trust survey asked respondents to rate various actors according to their believability about food-related issues (Canadian Centre for Food Integrity, 2019). On the environment, farmers received the greatest number of votes (21%) for being “very believable,” followed by university professors specializing in environmental sciences.

Figure 6. Sources of information about the environment.



*Univ. professor who specializes in environmental science
**Government environmental engineer

Data source: CCFI survey, 2019; image created internally.

5 Expected future of this trend

Industry experts expect that consumers will remain concerned with the environmental impact of food production, distribution, and consumption and industry players are making changes to their operations in anticipation of this trend's continuance.

Recent history would suggest that concern about environmental issues is persistent; it has remained a key factor influencing attitudes and behaviour throughout a series of crises unrelated to environmental issues, i.e., the COVID-19 pandemic and a war in Ukraine. Even when confronted with food system disruptions, soaring prices, and shortages of essential products, consumers continued to report elevated levels of concern about environmental issues.

Underlying this trend is a continued focus by the media and opinion leaders on environmental issues, particularly climate change. While anthropogenic climate change remains controversial among some groups of Canadians, it is accepted as fact by the majority. Furthermore, Canadians are increasingly likely to directly experience a severe weather event that is related to climate change. As experience of severe weather becomes more commonplace, climate-change-induced anxiety is expected to become more widespread. In this context, Canadian consumers are expected to be even more strongly supportive of actions that reduce GHG emissions and improve environmental outcomes more broadly.

It is expected to remain challenging for consumers to make food product choices on the basis of environmental criteria, particularly when it comes to criteria directly related to agricultural production. Environmental issues are myriad, and agricultural production is not well understood outside the agriculture profession. However, despite the difficulty, consumers are expected to persist in their attempts to discern between products on the basis of environmental impacts. They will continue to seek out and/or be receptive to information about environmental impacts and will be drawn to products and companies that appear to be making stronger efforts to reduce impacts.

6 Implications and recommendations for industry

Food producers and manufacturers have an opportunity to differentiate themselves from their competitors based on their environmental performance, and to use this as a competitive advantage in the Canadian market. This will require, in some cases, changes to production and manufacturing practices. It will also require a sustained measurement effort, to ensure that impacts are quantified and verifiable. Finally, and perhaps most importantly, it will require the development of environmental claims that are easily understood and believed by the consumer.

Given the low level of understanding of agricultural production among consumers, and the limited time/effort accorded to individual product purchase decisions by the same, communication with consumers about environmental performance will remain a major challenge. When the information that consumers are seeking is not available from a credible source, they may rely on other, less reliable sources to fill the gap. In this regard, it will be important for industry and government experts to devise simple, clear and convincing messages/statements. Claims that are clear, consistent, and directly related to the most important environmental issues are likely to be the most impactful. If these standards/statements are harmonized across the food system and backed by credible verification, so much the better.

The preference of many consumers for local food, and the association between local food and improved environmental outcomes, are key assets for Canadian food producers. They suggest that consumers will be more likely to believe local producers and manufacturers' environmental claims when compared to those of foreign competitors. Messaging that links local production to environmental outcomes will help capitalize on these reputational assets and help drive sales of grown-in or made-in-Canada products.

There is tension between, on the one hand, a need to make investments to measure and improve environmental performance and, on the other hand, a limited ability to pass this cost on to buyers/consumers. Companies and brands/products that succeed in differentiating themselves based on environmental performance may not necessarily be able to charge a premium price. Consumers currently demonstrate a limited willingness to pay for environmental attributes, due in part to a lack of clarity around what various claims mean combined with a lack of trust and concern about "greenwashing." That said, consumers have shown themselves to be willing to pay more for food that delivers environmental attributes as part of a package. Consumer attitudes toward organic food, while not synonymous with sustainable food, are nevertheless a useful leading indicator of who may be willing to pay more, and for what. Research shows that young Canadians are more likely to buy organic food regularly, and they are also more likely than older Canadians to identify environmental reasons as a key motivator for doing so.

Regardless of where in the value chain one is situated, there are considerable reputational risks associated with appearing to be doing nothing about environmental concerns. Canadians look to governments and to businesses to do more to avert the worst impacts of environmental crises including climate change. The absence of information related to environmental actions by a company may be interpreted either as an effort to hide something, or an indication that a company does not care about the issue. On the other hand, if environmental claims are unsubstantiated (or appear to be so), companies may be accused of "greenwashing" or worse.

In this challenging communications environment, it is important to devise simple, credible messages that speak as directly as possible to the issues that matter to consumers. Whenever possible, it would be best to link messages about specific practices to environmental benefits that are understandable to consumers. Research suggests that messages related to reducing waste resonate relatively well, compared to more complex messages about specific agricultural production practices. There may be other messages that consumers find compelling, and it will be very important to test the impact of these among consumers before investment in the development of claims around them. Otherwise, companies and industries run the risk of making significant investments that do not ultimately have the intended result in the marketplace.

The development of a standardized sustainability label claim that is recognized, trusted, and meaningful to Canadians could be expected to have a significant impact on the marketplace, given latent consumer desire for this information. It represents, however, a significant challenge given the complexity of agricultural production systems, technical difficulties in measuring and generalizing environmental impacts across systems, and the multiplicity of actors that would necessarily be involved in such an effort. As outlined in the preceding paragraph,

it would be important to do prior research with consumers to ensure that any standardized label delivers a message that consumers find understandable and credible.

The pressure to make environmentally motivated changes while at the same time keeping food affordable is a source of tension throughout the food system. It will not likely be possible to pass all the costs on to consumers, especially given heightened concern about food security. How to best to distribute the risks and costs between different value chain participants, and between the private and public sector, is expected to become an increasingly prominent question.

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