

Fighting Food Inflation

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BACKGROUND

Marit Stiles and the Ontario NDP are on your side to make grocery shopping more affordable. We'll help you manage the rising cost of groceries with a new monthly rebate that puts money in your pocket and food on the table.

Families across Ontario are trying to keep up with the rising cost of buying groceries and feeding their kids.

After 7 long years of Doug Ford, groceries are more expensive than ever. It's harder to afford food to feed your family. And Doug Ford hasn't done nearly enough about it.

Marit Stiles and the Ontario NDP will put more money back in your pocket with a predictable, Monthly Grocery Rebate to help offset rising costs, coupled with a series of measures to tackle rising prices in grocery stores and building a more tariff-proof economy.

The rebate amount in our program is based on how much the cost of essential groceries like milk, bread and vegetables have increased under Ford and is tied to income and the number of people in your household.

We're on your side with relief from rising costs right now, and we're taking action to make grocery prices fairer and more affordable in the long term.

Stop Grocery Price Gouging

We'll bring transparency to grocery prices by forcing big retailers to publicly post when they raise prices more than two per cent in a week. We'll crack down on price fixing and other unfair practices by establishing a new watchdog to enforce competition laws and keep food prices fair.

Tariff Proof Ontario

As part of our plan to build a more resilient and tariff-proof Ontario, we'll help you buy Ontario by strengthening local food supply chains and supporting the agriculture sector and local food producers. We'll help you get more fresh Ontario food products into your pantry and onto your plate.

Monthly Grocery Rebate

To help families offset the rise in grocery costs, we will provide a recurring Monthly Grocery Rebate based on household income and family size. At a time when people are feeling anxious about their budgets, the Monthly Grocery Rebate will give stable relief to 1.8 million households and another 1.9 million people filing taxes as individuals.

Stop Grocery Price Gouging

Prevent Predatory Pricing. In 2023, Canada Bread Co. [plead guilty](#) to a criminal price-fixing scheme. This conspiracy impacted grocery bills for almost every Ontario family almost every single week for more than 15 years. We will require grocery chains to post clear signage and labelling, just like they do when prices are on sale, if prices increase more than 2% in a week on essential food products to improve transparency with customers.

More recently, some Canadian grocers were found to be [overcharging families](#) by including the weight of the packaging in the cost of meat. We have no idea how long this has been going on or how much it has cost Ontarians, and the government does not appear to be pursuing any accountability or compensation for the public. We will improve food labeling rules to prevent misleading pricing practices.

We will create an office for a provincial [Consumer Watchdog](#) that will be a one stop shop for consumer complaints. A core challenge of consumer protection in Ontario that enforcement requires the individual to pursue legal action, or the Government of Ontario to impose a fine on those who violate it. You shouldn't need a lawyer to stop corporations from gouging you with deceptive pricing. The Consumer Watchdog would hold the power to investigate businesses or other entities on consumer protection laws or practices. They could release public reports similar to the Auditor General or the Ombudsman of Ontario, and to level fines or other penalties against businesses found to be in violation of consumer protection legislation.

Strengthening Regulation and Enforcement. When Ontarians pay tap their credit card at the grocery store every week, and when they pay their bills every month, they know that

they're getting ripped off. And just because you can't call 9-1-1 when big grocers collude to make bread more expensive, doesn't mean it's not a crime.

We will establish a **Corporate Crime and Competition Bureau** to enforce competition laws and prevent coordinated price hikes among Ontario grocers. The Bureau would focus on actively monitoring large corporations and conspiracies that would otherwise be nearly impossible to detect at the consumer level.

As of 2023, five grocery chains accounted for more than three quarters of all Canadian food sales, and the grocery sector raked in record profits in 2023 – exceeding \$6 billion. Unlike Ford and Crombie, the NDP is not afraid to crack down on the grocery oligopolies who are using their market power and the lack of competition to drive up grocery prices and hurt consumers.

Tariff-Proof Ontario

Invest in Local Supply Chains The agrifood sector is one of the biggest employers in the province with 850,000 workers. It is spread throughout the province with the production in rural but much of the processing in urban Ontario.

We will help insulate our local agricultural sector from economic shocks by lifting the cap on Risk Management Programs so farmers can insure themselves adequately against market risk.

The Ontario NDP's Monthly Grocery Rebate - TECHNICAL BACKGROUND

Designing a refundable tax credit in Ontario linked to food purchased from stores indicators from the [Ontario Consumer Price Index](#) (O-CPI) and phased in similarly to the [Ontario Childcare Access and Relief from Expenses](#) (CARE) Tax Credit requires a structured approach that balances inflation responsiveness, income sensitivity, and administrative feasibility.

The NDP's **Monthly Grocery Rebate** would be delivered to Ontarians on a monthly basis. The baseline credit/benefit is tied to the cost of a basket of essential food items, how much each family spent on the basket of essential food items annually before Ford

became Premier, and how much that price has increased since. The amount is increased given changes to the price of the basket of essential food items in grocery stores. The rebate is non-taxable and recipients are identified based on 2024 tax filings.

This design ensures the credit adapts to rising food costs while targeting low-to-moderate-income families. By borrowing some successful elements from Ontario's existing refundable credits (e.g., the CARE Tax Credit's phase-in structure and the Trillium Benefit's [inflation adjustments](#)), it balances equity, efficiency, and simplicity.

KEY DESIGN FEATURES OF THE MONTHLY GROCERY TAX REBATE

Eligibility Criteria

Residency: Recipients must be Ontario residents as of December 31 of the tax year.

Income Threshold: Introduce a phased-in structure where the credit amount decreases as household income rises.

- Full credit for family households with adjusted net income \leq \$65,000; full credit for individuals with adjusted net income \leq \$50,000.
- Partial credit phased out by 3.5% of family household income exceeding \$65,000, and reaching zero at \$100,000 (final phase-out credit = 51%)
- Partial credit phased out by 3.5% of individual income exceeding \$50,000, and reaching zero at \$65,000 (final phase-out credit = 51%)

Base Credit: Provides \$40 per adult in each household.

Family Size Adjustments: Provide additional amounts per dependent (eg \$20 base credit per child under 18) to reflect higher food costs for larger households.

Inflation Indexing

Annual Adjustment: Link the base credit amount to **the 12-month percentage change in the food O-CPI for food purchased from stores** (e.g., if food CPI rises by 4%, the credit increases by 4%). This ensures the credit retains purchasing power over time.

- During normal economic periods, the credit adds a 2% benefit to the base credit.
- If an economic shock were to occur, inducing high inflation, the credit would max out at a 10% increase to control excessive program spending.

Legislative Anchoring: Mandate annual updates through Ontario's tax legislation, like how the [Ontario Trillium Benefit](#) adjusts for inflation.

Refundability and Payment Structure

Refundable Nature: The credit is fully refundable, meaning recipients receive it even if they owe no taxes, like the [Ontario Jobs Training Tax Credit](#).

Payment Timing: The rebate is distributed as a monthly payment to help households manage food costs throughout the year, similar to the Ontario Trillium Benefit's monthly/quarterly structure.

Administrative Integration

Automated Calculation: Integrate with the Canada Revenue Agency (CRA) system to auto-calculate eligibility and amounts based on filed tax returns, reducing administrative burden (as seen with the Canada Child Benefit).

Direct Deposit Preference: Encourage enrollees to opt for direct deposit to expedite payments, similar to Ontario's existing refund/rebate protocols.

Anti-Fraud and Transparency Measures

Verification Requirements: Require receipts for dependent claims (e.g., children's birth certificates) to prevent misuse, aligning with the Ontario Child Benefit's reliance on CCB data.

Public Reporting: Publish annual reports on credit distribution and CPI adjustments, akin to the transparency measures in the [Ontario Fall Economic Statement](#).

Implementation Steps

1. **Legislative Framework:** Introduce amendments to the *Taxation Act, 2007* to establish the credit's parameters, including O-CPI linkage and phase-out rates.
2. **Stakeholder Consultation:** Engage with economists, anti-poverty groups, and tax experts to refine income thresholds and O-CPI weighting (e.g., prioritizing staple foods like cereals and dairy).
3. **Public Awareness Campaign:** Use Service Ontario portals and CRA communications to inform eligible households, leveraging strategies from the [Ontario Staycation Tax Credit](#) rollout.

KEY ASSUMPTIONS

Family Households \leq \$100,000:

- ~30% of Ontario family households (1.8 million out of ~6 million total households) fall below \$65,000 annually.
- ~20% of Ontario family households earn between \$65,000 and \$100,000 annually.
- Average household size: 2.5 people (2 adults + 0.5 children).

Individuals \leq \$65,000:

- ~30% of Ontario tax filers (1.9 million individuals).
- ~20% of Ontario tax filers earn between \$50,000 and \$65,000 (1.2 million individuals)

2017/2024 Price Comparison Base Credit

The increase in prices of the following basket of essential food items in Ontario from the beginning of Ford's Premiership to the present day has increased monthly household costs by over \$90 for a statistically average Ontario family household (2 adults + 0.5 children family).

Average annual expenditure per household on select food items bought from stores (Ontario, \$CAD)	2017	2024	Net Household Increase Expenditures 2017/2024
Bread and unsweetened rolls and buns	\$242.00	\$363.60	\$121.60
Butter	\$35.00	\$74.80	\$39.80
Canned vegetables and other vegetable preparations	\$126.00	\$146.51	\$20.51
Eggs	\$66.00	\$182.82	\$116.82
Flour	\$21.00	\$30.64	\$9.64
Fresh fruit	\$538.00	\$823.23	\$285.23
Fresh vegetables	\$578.00	\$905.60	\$327.60
Frozen and dried vegetables	\$74.00	\$131.43	\$57.43
Milk	\$168.00	\$236.86	\$68.86
Pasta (fresh or dry)	\$39.00	\$45.37	\$6.37
Rice	\$29.00	\$93.19	\$64.19
Total Annual Household Expenditure			\$1,118.05
Total Monthly Household Expenditures			\$93.17

Average price of Food Items (Ontario, \$CAD)	2017	2024	Difference
Bread	\$2.57	\$3.20	24.50%
Butter	\$5.50	\$7.00	27.30%
Canned vegetables and other vegetable preparations	\$1.25	\$1.60	28.00%
Eggs	\$3.25	\$4.50	38.50%
Flour	\$4.75	\$6.00	26.30%
Fresh fruit	\$4.00	\$5.50	37.50%
Fresh vegetables	\$3.00	\$4.10	36.70%
Frozen and dried vegetables	\$2.00	\$2.75	37.50%
Milk	\$2.47	\$3.12	26.30%
Pasta (fresh or dry)	\$2.00	\$2.75	37.50%
Rice	\$3.00	\$4.00	33.30%

COST ESTIMATES, 2% inflation

Total monthly cost at 2% Food CPI (normal)	
Full Credit Households ≤ \$65k	1.8 million × \$91.60 = \$164.88 million
Full Credit Individuals ≤ \$50k	1.9 million × \$40.80 = \$77.52 million
Phase-Out Reductions for Households, \$65,000 - \$100,000	1.2 million × \$69.20 = \$83.04 million
Phase-Out Reductions for Individuals \$50,000 - \$65,000	1.2 million × \$36.53 = \$43.84 million
Administrative Costs	~5% of total = \$19.42 million
TOTAL	\$409.1 million

REBATE EXAMPLE

CHART FOR A FAMILY AND INDIVIDUALS

The charts below provides a breakdown of what a people could get under the NDP's new program.

More than	but not more than	Tax Credit Phase Out	2 Adults, 2 Kids (2% inflation)
\$0	\$20,000	1.00	\$122.40
\$20,000	\$22,500	1.00	\$122.40
\$22,500	\$25,000	1.00	\$122.40
\$25,000	\$27,500	1.00	\$122.40
\$27,500	\$30,000	1.00	\$122.40
\$30,000	\$32,500	1.00	\$122.40
\$32,500	\$35,000	1.00	\$122.40
\$35,000	\$37,500	1.00	\$122.40
\$37,500	\$40,000	1.00	\$122.40
\$40,000	\$42,500	1.00	\$122.40
\$42,500	\$45,000	1.00	\$122.40
\$45,000	\$47,500	1.00	\$122.40
\$47,500	\$50,000	1.00	\$122.40
\$50,000	\$52,500	1.00	\$122.40



\$52,500	\$55,000	1.00	\$122.40
\$55,000	\$57,500	1.00	\$122.40
\$57,500	\$60,000	1.00	\$122.40
\$60,000	\$62,500	1.00	\$122.40
\$62,500	\$65,000	1.00	\$122.40
\$65,000	\$67,500	0.97	\$118.12
\$67,500	\$70,000	0.93	\$113.83
\$70,000	\$72,500	0.90	\$109.55
\$72,500	\$75,000	0.86	\$105.26
\$75,000	\$77,500	0.83	\$100.98
\$77,500	\$80,000	0.79	\$96.70
\$80,000	\$82,500	0.76	\$92.41
\$82,500	\$85,000	0.72	\$88.13
\$85,000	\$87,500	0.69	\$83.84
\$87,500	\$90,000	0.65	\$79.56
\$90,000	\$92,500	0.62	\$75.28
\$92,500	\$95,000	0.58	\$70.99
\$95,000	\$97,500	0.55	\$66.71
\$97,500	\$100,000	0.51	\$62.42
\$100,000	\$102,500	0.00	\$0.00

Individual Benefit - Maximum Amounts, Income Ranges and Phase-out Rates

			Monthly Benefit Amount	
			Tax Credit Phase	1 Individual
More than	but not more than	Out		(2% inflation)
\$0	\$20,000	1.00		\$40.80
\$20,000	\$22,500	1.00		\$40.80
\$22,500	\$25,000	1.00		\$40.80
\$25,000	\$27,500	1.00		\$40.80
\$27,500	\$30,000	1.00		\$40.80
\$30,000	\$32,500	1.00		\$40.80
\$32,500	\$35,000	1.00		\$40.80
\$35,000	\$37,500	1.00		\$40.80
\$37,500	\$40,000	1.00		\$40.80
\$40,000	\$42,500	1.00		\$40.80



\$42,500	\$45,000	1.00	\$40.80
\$45,000	\$47,500	1.00	\$40.80
\$47,500	\$50,000	1.00	\$40.80
\$50,000	\$52,500	0.95	\$38.76
\$52,500	\$55,000	0.90	\$36.72
\$55,000	\$57,500	0.85	\$34.68
\$57,500	\$60,000	0.80	\$32.64
\$60,000	\$62,500	0.75	\$30.60
\$62,500	\$65,000	0.70	\$28.56
\$65,000	\$67,500	0.00	\$0.00
\$67,500	\$70,000	0.00	\$0.00