

MarketCurve

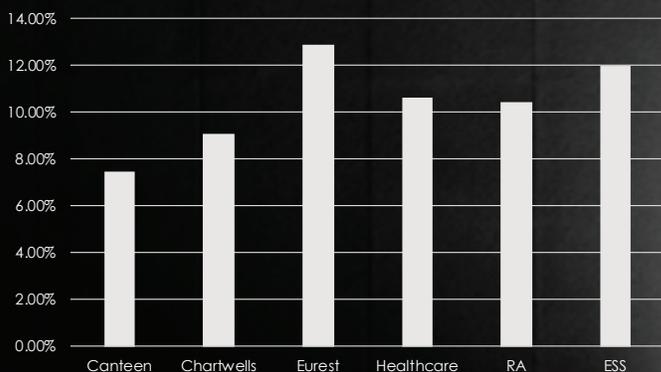
Stay ahead of the curve by gaining invaluable insights into current market trends with Market Curve. Due to the recent volatility in the market, Foodbuy, Envision, and Healthcare are working together to bring you the latest updates on price increases caused by inflation, how it impacts our business, what we're doing to mitigate it, and ways to drive cost savings in your business via this publication. **Sector Inflation & Mitigation**

Sector Inflation

Below is a breakdown of individual sectors' increase in costs due to inflation between May 2021 – June 2022, an overall weighted average of 10.99%.

Foodbuy is actively watching market fluctuations to be able to effectively combat price increases and mitigate the impact of inflation costs. YTD, we have delayed the implementation and negotiated back increases of over \$2.49M by working with our trusted supplier partners.

MAY 2021 - JUNE 2022



August 15, 2022 | Issue Eleven

Commodity Update | Labour Shortages

Since our last commentary on labour shortages in February, operators continue to face severe challenges despite the record low levels of unemployment we've witnessed over the past few months. It was predicted that 64% of businesses in the accommodation and foodservice industries are expected to experience labour shortages by the end of the second quarter. Overall unemployment stabilized in July remaining at 4.9% for the second month in a row.

Business owners struggle to appeal to workers affording them flexible work hours, skill training, better benefits, and higher wages. According to Statistics Canada's Labour Force Survey, wages were up 5.2% YOY in July 2022. Once employers overcome the obstacle of recruiting and hiring employees, they are then challenged with the task of retaining them. While this is only one area of operations that operators must focus on in addition to rising food prices, supply chain disruptions and overhead costs, to name a few, several are turning to technology to reduce labour costs.

Many attribute the lack of workers in these industries to individuals seeking more stable employment, switching fields, going back to school, choosing a better work-life balance, and even the reduced number of immigrants that moved to Canada during the pandemic (many of whom have filled these positions). Due to the turbulent landscape of these industries during peaks of the pandemic these reasons played an integral role. The Labour Force Survey reported "As of July, there was little indication that tight labour market conditions in recent months had led to an increase in the likelihood of workers voluntarily leaving a job or switching jobs". Now that restrictions have been significantly relaxed and operations are continuing to recover, we are optimistic that labour challenges will gradually subside; short-term relief remains uncertain.

Resources:
<https://www.ctvnews.ca/business/labour-shortage-food-hotel-industries-continue-to-be-hardest-hit-by-lack-of-workers-1.5960328>

<https://www150.statcan.gc.ca/n1/daily-quotidien/220805/dq220805a-eng.htm?HPA=1>

