

## Restrictions on GMOs, consumer demands could lead to higher food prices in Canada

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Food prices are up four per cent over last year in Canada. . . This has come as a shock to Canadians used to spending an ever-declining share of annual income on food. Consumers should expect more shock as additional increases likely lie ahead. . .

Canadian consumers have had a good run, with food now representing only about 10 per cent of annual income, about half what it was a half-century ago. . . That decline is largely the result of changes in farming practices and improved agricultural technology. . . .

. . . . But a counter-trend is becoming dominant, a trend towards higher on-farm costs and lower crop yields, driven by a combination of government actions and consumer demands.

There's the growing tendency for governments. . . to restrict the technologies farmers can use – examples being genetically enhanced crops and pesticides – for reasons that are largely political and are imposed as “precautionary” in nature. . . .

An even bigger driver may be consumers themselves. . .

More consumers want to buy – and are paying higher prices for – “organic” foods, or foods called “natural,” or free of anything claimed by someone to be bad.

. . . . Government surveys show organic crop yields average about 30-per-cent lower than for non-organic . . . costs of production are much higher; and organic price premiums are consequentially large as well. . . . Those costs and price premiums are transferred to consumers. . . .

This is no threat to affluent Canadians. Even a 50-per-cent increase in food prices still would absorb only 15 per cent of average Canadian family income.

But many Canadians aren't affluent. If government and food-industry actions reduce availability of lower-cost foods, many low-income families will suffer. I have personal difficulty with the ethics of that.

**Read full, original post:** [Daynard: Think Food Prices are high? Get ready for higher](#)