

The Food Affordability and Grocery Transparency Act

A Policy Proposal for Honest Pricing, Full-Chain Profit Disclosure, and Consumer Data Protection

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FOOD SECURITY | TECHNOLOGY GOVERNANCE

Civic Sketches is a series of draft policy proposals by Lawrence Nault — an independent researcher and policy writer based in Alberta's Badlands. These proposals are working drafts, not party platforms or final answers. They are intended to invite discussion, challenge, and refinement across all levels of government and the broader public.

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Canada's grocery problem is not just about the price on the shelf.

It is about the hidden systems behind that price: transportation, warehousing, distribution centres, supplier fees, real estate, loyalty programs, data collection, and the corporate structures that can take profit long before a product reaches the checkout.

Mark Carney's food affordability strategy points in the right direction by recognizing the need for stronger domestic supply chains, food hubs, and more competition. But if policy only focuses on retail prices and store-level margins, it risks missing the deeper machinery of grocery profit-taking.

This proposal is an attempt to follow the dollar through the entire food chain.

If a product shrinks, consumers should know. If a grocery company profits through related companies before the product reaches the shelf, regulators should know. If loyalty programs are turning shopping data into revenue, customers should know. And if food prices are being shaped by surveillance, profiling, or hidden algorithms, that should not be allowed to happen in the shadows.

Food affordability requires more than competition at the checkout.

It requires transparency from the farm to the table.

Introduction

Canada does not have a simple grocery-price problem. It has a food-system transparency problem.

When people walk into a grocery store, they see the final price on the shelf. They do not see the full chain of profit-taking that may have happened before the product reached that shelf. They do not see who profited from farming, ranching, processing, transportation, warehousing, distribution, wholesale access, leasing, real estate, supplier fees, data collection, or internal corporate transfers.

A grocery retailer can point to thin margins at the store level while additional profit is captured elsewhere in the same corporate structure. If the same parent company, subsidiary, major shareholder, affiliated company, or related entity earns money from moving, storing, distributing, financing, leasing, supplying, advertising, or analyzing the sale of that product, then the public deserves to know that too.

Food affordability policy cannot stop at the checkout.

This proposal is designed to ensure that Canadians can see when products have been quietly reduced in size, weight, volume, or content; that governments can measure where grocery profit is actually being taken across the entire supply chain; that essential food prices are not personalized through surveillance-based pricing; and that loyalty-program members can see how their data is being collected, shared, and monetized.

1. Purpose

The purpose of the Food Affordability and Grocery Transparency Act is to:

- Protect consumers from hidden product reductions.
- Require clear public notice when food products shrink in size, weight, volume, or content.
- Prevent companies from avoiding disclosure through cosmetic packaging changes.
- Require grocery retailers to disclose average, mean, and median grocery markups.
- Require full-chain profit reporting where grocery retailers, parent companies, subsidiaries, major shareholders, or affiliated entities collect revenue from other parts of the food supply chain.
- Prohibit surveillance-based pricing for essential food products.
- Require loyalty-program data monetization transparency.
- Give governments, regulators, journalists, researchers, and the public a clearer view of where grocery profits are actually being taken.

- Support fairer competition for independent grocers, producers, processors, and new market entrants.

2. Definitions

For the purposes of this Act:

- **Grocery retailer** means any business that sells food products directly to consumers through physical stores, online platforms, delivery platforms, wholesale clubs, membership programs, marketplace platforms, or any combination of these.
- **Essential food product** means any food or beverage product reasonably understood to be part of regular household food consumption, including fresh food, frozen food, packaged food, prepared food, staple ingredients, infant food, dietary staples, and other products designated by regulation.
- **Shrinkflation** means the reduction of a product's weight, volume, count, contents, concentration, serving quantity, or usable product amount without clear public disclosure to consumers.
- **Related entity** means any parent company, subsidiary, sister company, joint venture, major shareholder, holding company, affiliated company, real estate investment trust, logistics company, distribution company, warehousing company, supplier company, private-label manufacturer, or company under common control.
- **Full-chain profit** means profit, revenue, fees, rents, charges, or commercial value captured at any stage between production and retail sale, including farming, ranching, processing, packaging, transportation, warehousing, distribution, wholesale access, real estate, leasing, supplier fees, data monetization, advertising, or related services.
- **Surveillance-based pricing** means changing, raising, lowering, personalizing, or targeting the price of a food product based on personal data, behavioural data, inferred income, purchase history, browsing history, location history, device information, loyalty-program activity, household composition, demographic profile, or any other data used to estimate what a specific consumer may be willing or able to pay.
- **Data monetization** means any practice by which a company earns revenue, receives commercial value, improves advertising performance, strengthens supplier negotiations, supports price-setting, builds consumer profiles, or otherwise benefits financially from collecting, analyzing, selling, licensing, sharing, transferring, or using consumer data.

3. Shrinkflation Disclosure Requirement

Any grocery product sold to the public must carry a high-visibility public notice if, within the previous six months, the product has been reduced in:

- Weight.
- Volume.

- Item count.
- Package contents.
- Serving quantity.
- Concentration.
- Usable product amount.
- Any other measurable quantity that reduces what the consumer receives.

This requirement would apply whether the shelf price changes or not.

If a product becomes smaller, lighter, less concentrated, or contains fewer usable servings, the disclosure requirement would apply.

4. High-Visibility Counter, Shelf, and Online Signage

When a product has been reduced in quantity, the retailer must display a clear notice at the point of sale.

This notice must be:

- Placed directly beside or beneath the product price.
- Easy to read from a normal shopping distance.
- Written in plain language.
- Displayed for no less than six months after the reduced product is introduced.
- Included in online grocery listings, flyers, digital ads, delivery platforms, and app-based shopping platforms.

The notice should use plain language such as:

Product Size Reduced

This product has been reduced from [previous size / count / volume / weight] to [new size / count / volume / weight] within the last six months.

The notice should not be required to include previous or current prices, because prices may vary due to sales, promotions, regional pricing, loyalty programs, or temporary discounts. The purpose of the notice is to disclose the reduction in product quantity, not to create a separate price-tracking burden at the shelf level.

The purpose is not to ban companies from changing product sizes. The purpose is to ensure consumers are not left with the reasonable expectation that they are receiving the same amount of product when the amount has been reduced, whether the product appears in similar packaging,

refreshed packaging, renamed packaging, or any other presentation that a reasonable consumer would understand as a continuation of the same or substantially similar product.

5. Anti-Avoidance Packaging Clause

A manufacturer, distributor, supplier, or retailer may not avoid the shrinkflation disclosure requirement by changing packaging, branding, product names, barcodes, container shape, label design, product line classification, or marketing language.

A product would still be considered the same or substantially similar product if it has the same or substantially similar:

- Brand.
- Product type.
- Ingredients.
- Use.
- Flavour or variety.
- Target consumer.
- Retail placement.
- Marketing identity.
- Packaging appearance.
- Consumer expectation.

For example, a company could not avoid disclosure by changing a “500 g family-size cereal” into a “450 g resealable cereal pouch” if consumers would reasonably understand it to be the same or substantially similar product.

The disclosure requirement should follow the product, not the packaging trick.

6. Grocery Markup Reporting

Large grocery retailers must report the average, mean, and median grocery markup across food products sold in their stores and through their online platforms.

This reporting must include:

- Product category.
- Retail price.
- Supplier price.
- Wholesale price, where applicable.
- Retail markup.
- Average markup by category.

- Mean markup by category.
- Median markup by category.
- Changes in markup over time.
- Regional variation in markup.
- Differences between regular pricing, promotional pricing, and loyalty-card pricing.

Reports should be filed regularly with the appropriate regulator and summarized publicly in a format that consumers can understand.

The public version does not need to expose legitimate trade secrets on every individual contract, but it must provide enough information to show whether grocery markups are rising, falling, or being shifted between categories.

7. Full-Chain Profit Disclosure

Grocery profit reporting must include more than store-level retail margin.

Where a grocery retailer, parent company, subsidiary, major shareholder, affiliated company, related entity, or commonly controlled business collects revenue directly or indirectly from a product's journey to the shelf, that revenue must be disclosed as part of the full-chain grocery profit calculation.

This includes revenue collected from:

- Farming.
- Ranching.
- Food production.
- Food processing.
- Packaging.
- Transportation.
- Trucking.
- Rail access.
- Cold storage.
- Warehousing.
- Distribution centres.
- Wholesale supply.
- Importing.
- Exporting.
- Supplier fees.
- Listing fees.
- Promotional fees.

- Shelf-placement fees.
- Data fees.
- Penalties charged to suppliers.
- Real estate.
- Leasing.
- Property management.
- Financing.
- Insurance.
- Advertising.
- Loyalty-program data use.
- Any other related business activity connected to bringing the product to market.

If a grocery corporation profits from the product before it reaches the store, that profit must not disappear from public view.

8. Related-Entity Disclosure

A grocery retailer must disclose when any part of the food supply chain involves a related entity.

A related entity would include:

- Parent companies.
- Subsidiaries.
- Sister companies.
- Joint ventures.
- Major shareholders.
- Holding companies.
- Real estate investment trusts.
- Logistics companies.
- Distribution companies.
- Warehousing companies.
- Supplier companies.
- Private-label manufacturers.
- Companies under common control.
- Companies with shared directors or officers.
- Companies where ownership, financing, or control creates a reasonable possibility of indirect profit extraction.

The test should be simple: If the grocery retailer or its ownership network benefits financially from another part of the chain, it must be disclosed.

9. Full-Chain Grocery Profit Formula

For the purposes of public reporting, grocery profit should be calculated in two ways.

A. Retail Markup

Retail Markup = Shelf Price - Direct Product Acquisition Cost

This shows the narrow store-level markup.

B. Full-Chain Markup

Full-Chain Markup = Shelf Price - Independent Arm's-Length Cost of Product

This calculation must include any additional revenue captured by related entities through transportation, warehousing, distribution, leasing, real estate, supplier fees, data monetization, advertising, or other supply-chain services.

The goal is to prevent companies from claiming low retail margins while extracting profit from other parts of the system.

A grocery company should not be able to say, “We only made a small profit at the store,” if another part of the same corporate ecosystem made money from transporting, storing, leasing, supplying, advertising, analyzing, or distributing the same product.

10. Prohibition on Surveillance-Based Grocery Pricing

Grocery retailers, online grocery platforms, delivery platforms, and affiliated companies may not use surveillance-based pricing for essential food products.

A grocery retailer may still offer clearly advertised public discounts, coupons, loyalty discounts, flyer prices, clearance prices, regional pricing, or time-limited promotions, provided those prices are available on equal terms to all consumers who meet the publicly stated conditions.

A grocery retailer may not charge different consumers different prices for the same food product at the same location or through the same platform based on personal profiling, algorithmic assessment, behavioural prediction, or inferred willingness to pay.

Food pricing should be transparent. A shopper should not have to wonder whether the price they see is based on the product, or based on what a company thinks it knows about them.

11. Loyalty Program Data Monetization Transparency

Any grocery retailer or affiliated company operating a loyalty program must provide members with a clear, accessible data monetization statement.

This statement must show, in plain language:

- What personal, household, purchase, behavioural, location, device, or demographic data is collected.
- Whether that data is sold, licensed, shared, transferred, pooled, analyzed, used for advertising, used for price targeting, or monetized in any other way.
- Which categories of companies, advertisers, brokers, suppliers, platforms, or affiliated entities receive or use the data.
- Whether the data is shared with parent companies, subsidiaries, major shareholders, advertising networks, data brokers, financial partners, insurers, landlords, logistics companies, suppliers, or other commercial partners.
- The estimated revenue, value, or commercial benefit the company received from selling, licensing, sharing, or monetizing loyalty-program data.
- The estimated value of points, discounts, or rewards returned to the consumer.
- A comparison between the commercial value extracted from the consumer's data and the value returned to the consumer through the loyalty program.

Where technically possible, this information should appear directly beside the consumer's loyalty points balance in the retailer's app, online account, or printed account summary.

For example:

Points earned this year: [X]

Estimated value of rewards received: [\$X]

Estimated value generated from your data: [\$X]

Your data was shared with: [categories / named entities where required]

Consumers must also have the right to request a list of the companies, affiliates, brokers, advertisers, or partners with whom their loyalty-program data was sold, licensed, shared, transferred, or otherwise monetized.

A loyalty program should not operate as a one-way mirror. If consumers are being paid in points while companies profit from their data, consumers deserve to see both sides of the exchange.

12. Loyalty Program Non-Discrimination

Consumers must not be penalized for refusing unnecessary data collection.

Where a grocery retailer offers loyalty pricing on essential food products, the retailer must provide a privacy-protective way for consumers to access the same essential food discounts without being required to consent to broad data collection, tracking, profiling, third-party sharing, or data monetization.

This could include:

- A privacy-protective loyalty option.
- A non-tracking discount card.
- An in-store discount code.
- A publicly available flyer price.
- A limited-data account that collects only what is necessary to administer the discount.

Access to affordable food should not require surrendering personal data beyond what is necessary for the transaction.

13. Public Reporting Dashboard

Governments should create a public food affordability transparency dashboard that reports:

- Average grocery markup by retailer.
- Mean grocery markup by retailer.
- Median grocery markup by retailer.
- Markup by product category.
- Full-chain markup estimates.
- Shrinkflation notices by product.
- Product-size reductions by brand.
- Regional grocery price differences.
- Reported supplier fees.
- Known property controls or restrictive leases.
- Related-entity supply-chain relationships.
- Use of loyalty-program data.
- Data monetization practices.
- Surveillance-based pricing complaints.
- Enforcement actions.
- Penalties issued.
- Corrective orders.

The dashboard should be searchable by product, retailer, brand, category, region, and date.

Consumers should not need a business degree to understand why food is becoming unaffordable.

14. Independent Grocer Protection

Independent grocers should not be forced to compete against vertically integrated giants without transparency into the structures that shape their costs.

Where a dominant grocery retailer also controls or benefits from transportation, warehousing, distribution, wholesale access, retail property, supplier fees, loyalty-data systems, or advertising infrastructure, regulators should assess whether that structure creates unfair barriers for independent grocers.

This review should consider:

- Whether independents are paying higher supply-chain costs.
- Whether access to distribution is being restricted.
- Whether warehouse access is being used to favour related stores.
- Whether transportation pricing disadvantages competitors.
- Whether lease controls prevent new grocery stores from opening.
- Whether supplier terms favour dominant chains.
- Whether private-label products are being used to pressure suppliers or crowd out competitors.
- Whether data advantages are being used to distort competition.
- Whether loyalty programs are locking consumers into dominant retailers.

Competition at the checkout is not enough if competitors cannot affordably reach the checkout.

15. Property Control and Lease Transparency

Grocery retailers must disclose any property control, restrictive covenant, exclusivity clause, lease condition, or related real estate agreement that limits or prevents another grocery retailer, food market, co-operative, independent grocer, farmers' market, or food retailer from operating nearby.

This includes restrictions created through:

- Lease agreements.
- Landlord agreements.
- Shopping centre rules.
- Sale conditions.
- Development agreements.
- Real estate subsidiaries.
- Holding companies.

- Property management firms.
- Related corporate entities.

Governments should have the authority to review and prohibit property controls that reduce food competition in a community.

No company should be allowed to claim it supports grocery competition while using real estate contracts to keep competitors out.

16. Application to Online Grocery Platforms

The same rules must apply to online grocery platforms, delivery apps, digital flyers, loyalty apps, and third-party grocery marketplaces.

If a product has been reduced in size, the disclosure must appear clearly before purchase.

If prices vary based on loyalty programs, user profiles, dynamic pricing, location, or platform fees, those differences must be included in public reporting.

If an online platform uses consumer data to personalize offers, sort products, target promotions, alter visibility, or influence food purchasing behaviour, those practices must be disclosed.

A disclosure requirement that only applies in physical stores would be incomplete.

17. Audits and Verification

Large grocery retailers and affiliated companies must be subject to independent audits to verify:

- Shrinkflation disclosures.
- Product-size change histories.
- Grocery markup reports.
- Full-chain profit disclosures.
- Related-entity transactions.
- Supplier fees.
- Lease and real estate arrangements.
- Loyalty-program data monetization statements.
- Compliance with the ban on surveillance-based pricing.
- Public dashboard accuracy.

Auditors must have access to the documents needed to verify whether reported margins reflect the true flow of money across the supply chain.

Companies should not be allowed to self-report only the parts of the system that make them look restrained.

18. Enforcement

The Act should be enforced by the appropriate competition, consumer protection, privacy, food pricing, or market transparency regulator.

Enforcement tools should include:

- Mandatory reporting orders.
- Public correction notices.
- Administrative penalties.
- Fines based on company revenue.
- Product-specific disclosure orders.
- Lease and property-control disclosure orders.
- Data monetization disclosure orders.
- Independent audits.
- Whistleblower protections.
- Penalties for false, incomplete, or misleading reporting.
- Penalties for avoiding disclosure through packaging changes.
- Penalties for surveillance-based pricing of essential food products.
- Referral for competition or privacy investigation where unlawful or anti-competitive conduct is suspected.

Penalties must be large enough that non-compliance is not simply treated as a cost of doing business.

19. Whistleblower Protection

Employees, suppliers, truckers, warehouse workers, franchisees, landlords, contractors, data workers, software developers, advertisers, and others involved in the food supply chain must be protected when reporting hidden markups, undisclosed related-party transactions, shrinkflation avoidance, supplier pressure, data monetization practices, surveillance-based pricing, or anti-competitive conduct.

Whistleblower protections should include:

- Confidential reporting channels.
- Protection against retaliation.
- Protection against contract termination.
- Protection against blacklisting.

- Protection against legal intimidation.
- Financial penalties for retaliation.
- Public reporting on the number and type of complaints received.

The people closest to the system often know where the profit is being hidden.

20. Review Period

The Act should be reviewed after three years to assess whether:

- Shrinkflation disclosures are improving consumer awareness.
- Product-size reductions have become less deceptive.
- Grocery markup reporting is accurate and useful.
- Full-chain profit reporting is exposing hidden profit-taking.
- Surveillance-based pricing has been prevented.
- Loyalty-program data monetization is being clearly reported.
- Consumers are receiving fair value for loyalty-program participation.
- Independent grocers are gaining fairer access to supply chains.
- Property controls are being reduced.
- Food affordability is improving.
- Additional anti-competition, privacy, or pricing measures are required.

Food systems change quickly. The law must be reviewed regularly enough to keep up.

Conclusion

Food affordability is not only about the price on the shelf.

It is about who controls the farm, the processor, the truck, the warehouse, the distribution centre, the lease, the property, the supplier relationship, the data, the fees, the loyalty program, the algorithm, and the store.

If governments only look at retail grocery margins, they will miss the hidden layers where profit can be taken before the product ever reaches the checkout.

If a product shrinks, consumers should know.

If a grocery company profits from multiple stages of the food chain, the public should know.

If loyalty programs collect and monetize consumer data, consumers should know.

If food prices are being shaped by surveillance, profiling, or hidden algorithms, regulators should know.

If real competition is blocked by ownership structures, leases, supplier fees, data advantages, or distribution control, governments should know.

Canada does not just need more grocery competition.

Canada needs grocery transparency from the farm to the table, from the warehouse to the lease, and from the loyalty card to the checkout.

About the Author

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