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Grocers may adopt more security tags

Shoplifting has been on the rise since before the pandemic, data shows

Dhriti Gupta Toronto Star

When Ian Runkle set off the security alarm on his way out of an Edmonton Walmart in May, he didn't pause for the store guard who called after him. Runkle had rightfully paid for all his groceries at the self-checkout, and as a criminal defence lawyer, knew his rights.

"I kept walking because I'm not really under any obligation to stop," he said. When cooking dinner later that night, Runkle found the culprit - a small, metal security tag hidden under the label of the steak he had purchased. The checkout machine didn't catch it.

He doesn't intend on spending money at that store again. "If I know I might get hassled for something I legitimately paid for... then I'm unlikely to go back," Runkle said. "I don't want to deal with that, and I don't want to have somebody paw through my groceries."

While Runkle only noticed the security measure a few months ago, Walmart confirmed in an email to the Star that it has included security tags on items like fresh beef since 2019 to discourage theft. As food prices in Canada continue to skyrocket beyond the headline infla-

tion rate, the big three grocers have been trying everything from receipt-checking to hiring off-duty police officers to reduce shoplifting. Could more metal security tags soon be hiding in our food?

As of now, security tags on food products aren't a common practice in Canada, said Andre Cire, a professor at the University of Toronto who specializes in supply chains and operations management - but that might be about to change.

Shoplifting has been on the rise since before the pandemic, according to data from Statistics Canada. Before 2020, rates of shoplifting had been increasing for six years, with larger increases in 2018 and 2019. From 2010 to 2019, the rate of shoplifting incidents jumped 39 per cent.

Food retailers say they're taking a hit - according to a 2022 estimate from the Agri-Food Analytics Lab at Dalhousie University, an average-sized food retail store in Canada can see between \$2,000 to \$5,000 worth of groceries stolen per week.

"(Grocers) are improving their surveillance systems," Cire said, explaining

that technology is playing an increasing role in loss-prevention strategies. "They're adding more ways of tracking what's going on in the store."

Grocery stores have also been investing in measures like self-checkout cameras that analyze customer movement and AI systems for inventory and expense tracking, Cire said. "It's not something that's extremely costly, but there is a cost," he noted. "And they do pass on some of those costs to their customers."

Michelle Wasylyshen, national spokesperson for the Retail Council of Canada, cited escalating inflation, organized crime and a growing resale market for stolen goods as some of the factors contributing to an increase in shoplifting across all categories of merchandise.

While a security tag can potentially increase the cost of a product, Cire said there are still ways stores could minimize those costs. "Maybe you don't add the tag to all the different meats, you only add it to some of them, or at least the most expensive ones," he said. "You can also randomize, and just select a few units to add (tags) to."

Whether these practices become more

common in Canada will depend on whether inflation comes down, Cire said. He added that it's important for stores to consider consumer trust when developing their strategies. "The issue as a consumer, is how visible these practices are."

Corporate concerns about theft have to be understood against the backdrop of increasing food insecurity across the country, said Sarah Berger Richardson, a civil law professor at the University of Ottawa with a focus on the regulation of food systems.

In 2022, 6.9 million Canadians lived in food insecure households, including 1.8 million children, according to data from Statistics Canada. There were nearly 1.5 million food bank visits across the country in March 2022, Food Banks Canada reported.

Meanwhile, a 2022 Star analysis found that Canada's big three supermarket chains have continued to increase their profit margins. Berger Richardson points to a recent report published by the International Monetary Fund on how rising corporate profits accounted for almost half the increase in Europe's inflation over the past two years.

In that regard, these theft prevention practices can be upsetting for customers, she said. "It's a little distasteful."