



## Soaring Food Prices: 2 Consumer Staples Sector ETFs to Buy Now

### Description

If you've gone grocery shopping lately, you've probably experienced sticker shock. With inflation running red hot, Canadians are feeling the squeeze in all aspects of their budgets, with the price of food in causing major headaches in particular.

Significant increases in the price of meat, dairy, baked goods, and vegetables stem from a constellation of factors, including already stretched supply chains and the ongoing invasion of Ukraine, a major exporter of wheat worldwide.

Canadian investors looking to tilt their portfolios to the current macro-economic condition should consider agricultural and consumer staples stocks from both the TSX and the rest of the world's markets. Instead of picking your own, a great way to own a diversified basket is to buy an exchange-traded fund (ETF). Let's take a look at my top two picks today.

### The iShares option

**iShares Global Agriculture Index ETF ([TSX:COW](#))** seeks to replicate the **Manulife Asset Management Global Agricultural Index**, net of fees. For a 0.72% management expense ratio (MER), you get a passively managed way of holding global agricultural stocks.

This ETF holds the stocks of 37 companies involved in the production of agricultural products, fertilizers and agricultural chemicals, farm machinery, and packaged foods and meats. Notable Canadian stocks held include **Nutrien**, **Tyson Foods**, and **Rogers Sugar**.

### The BMO option

**BMO Global Consumer Staples Hedged to CAD Index ETF** ([TSX:STPL](#)) tracks the FTSE Developed ex Korea Consumer Staples Capped 100% Hedged to CAD Index, net of expenses. This index holds global large- and mid-cap stocks in the consumer staples sector, with each stock not exceeding 10% of the ETF.

The ETF currently has 156 holdings. Notable companies include **Proctor & Gamble**, **Nestle**, **Coca-Cola**, **PepsiCo**, and **Unilever**. The ETF is currency hedged to minimize the volatility from fluctuations in the USD-CAD pair. Holding STPL will cost a MER of 0.40% per year.

## The Foolish takeaway

Regardless of food prices, Canadians still need to eat. As a result, as long as inflation persists, agricultural and consumer staples stocks will enjoy strong headwinds and continued demand for their products. A tilt towards this sector could help your portfolio offset the negative effects of inflation for the time being. Instead of picking individual stocks, consider the hands-off approach of letting an ETF do the hard work. Both COW and STPL offer exposure to a great diversified basket of global stocks for a relatively low fee.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:COW (iShares Global Agriculture Index ETF)
2. TSX:STPL (BMO Global Consumer Staples Hedged to CAD Index ETF)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

### PP NOTIFY USER

1. kduncombe
2. tdong

### Category

1. Investing

### Date

2025/08/14

**Date Created**

2022/05/31

**Author**

tdong

default watermark

default watermark