

Reference Period: April 2014

MONTHLY INFOSTATS



**Restaurants
Canada**

The voice of foodservice | La voix des services alimentaires

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Monthly InfoStats – April 2014

Commercial Foodservice Industry (preliminary results)

Highlights

Commercial foodservice sales in Canada improved in April with a 4.8% increase compared to a 3.0% gain in March. Excluding the strong growth in Alberta and British Columbia, sales rose by 3.2% in April.

After a dismal 1.4% increase in March, sales at **full-service restaurants** rebounded with a 4.1% gain in April. Growth was led by solid consumer spending in British Columbia and Alberta.

Quick-service restaurant sales grew by 6.0% in April with strong gains across most of the country.

Revenue at **caterers** grew 3.8% as robust gains in Western Canada were offset by disappointing growth in Central and Atlantic Canada.

Drinking places continued to struggle with spending slipping by 0.6% in April following a 5.5% decrease in March. Five provinces reported lower spending with Saskatchewan posting the largest decline (-8.5%).

After robust gains in 2013, **Newfoundland and Labrador** reported its first monthly decline since 2011 as sales fell 1.5% in April. After leading the province in growth in 2012 and 2013, sales at caterers and full-service restaurants tumbled by 12.2% and 8.7% respectively.

Foodservice sales on **Prince Edward Island** fell for the second consecutive month. Total spending slipped by 0.2% in April as gains at full-service restaurants offset declines at quick-service restaurants.

After a 2.5% decline in March due to bad weather, total foodservice sales in **Nova Scotia** grew by a modest 1.1% in April. Although sales at quick-service restaurant increased by 3.3%, sales fell at full-service restaurants, caterers and drinking places.

Healthy spending at restaurants lifted total foodservice sales in **New Brunswick** by 3.4%.

Quebec's restaurant industry continued to struggle, growing just 1.2% in April following a 2.7% decline in March. Sales fell at caterers and drinking places, and only posted modest growth at restaurants. The poor performance thus far in 2014 reflects the general weakness

in the economy and lacklustre job creation.

Total foodservice sales in **Ontario** advanced 4.8% in April. Although quick-service restaurants led the province with 6.2% growth, it comes on the heels of a tepid 1.7% increase in April 2013.

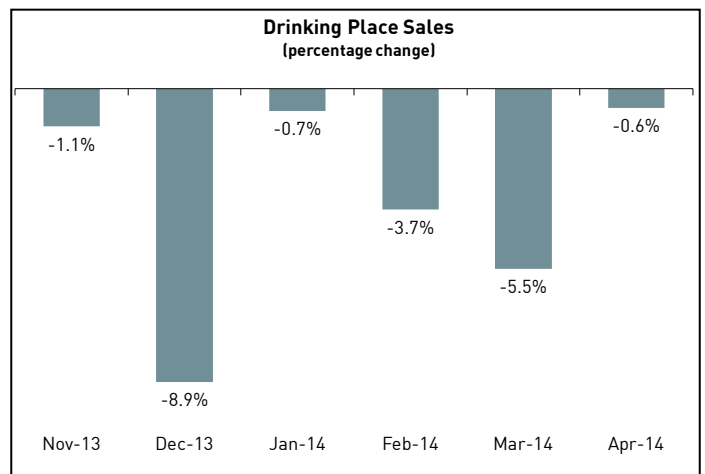
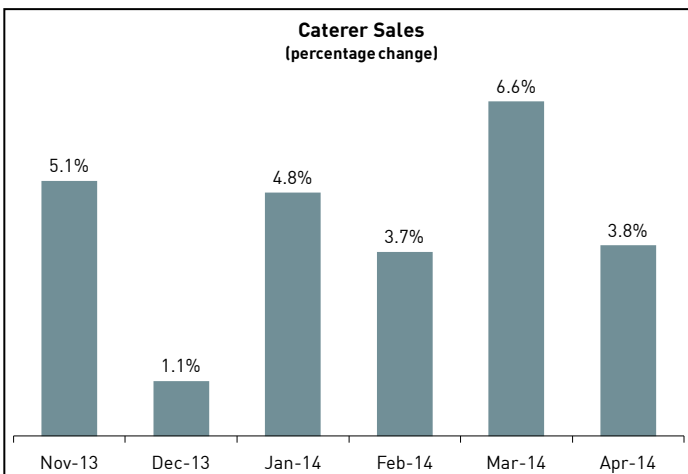
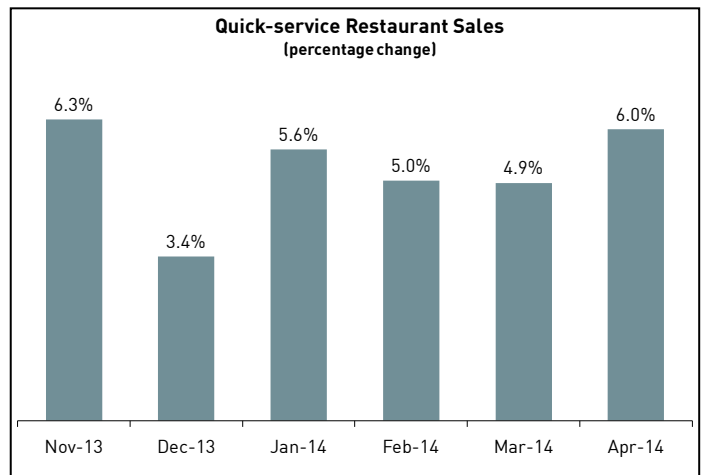
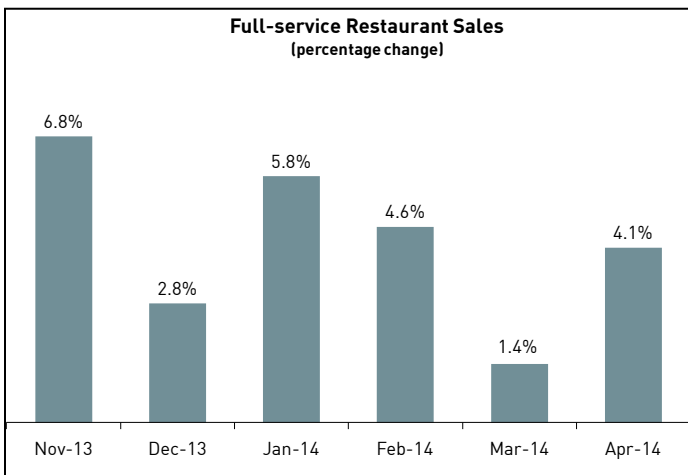
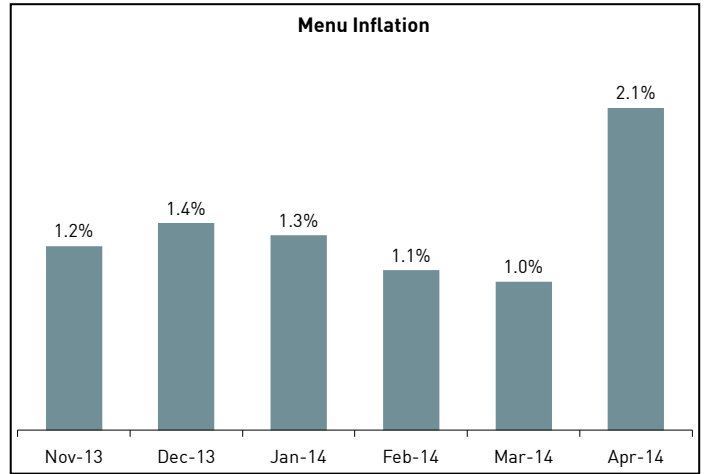
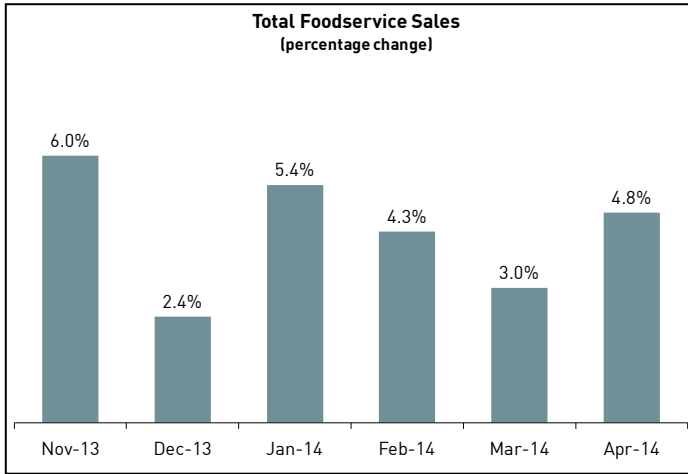
After a 1.4% decline in March, foodservice sales in **Manitoba** rebounded in April with a 3.9% increase. Growth was led by a 7.0% jump in caterer revenue and a 4.1% gain at quick-service restaurants.

Following solid gains over the past seven years, sales in **Saskatchewan** moderated to 3.2% growth in April. Caterers led all segments with a 22% jump in revenue. In contrast, sales fell by 8.5% at drinking places and by 0.3% at full-service restaurants.

Robust economic activity boosted total sales in **Alberta** by 8.4% -- the strongest growth in the country.

Pent-up consumer spending lifted total foodservice sales in **British Columbia** by a healthy 8.2%. Caterers led all segments with a 9.2% increase. Quick-service restaurant sales jumped 9.2% while full-service restaurant sales advanced by 7.1%.

Commercial Foodservice Trends - Canada



Note: All growth rates are year-over-year and based on preliminary data from Statistics Canada.

Highlights

Canada's economy expanded by a modest 0.1% in April following a 0.1% increase in March.

Consumer confidence in Canada slipped by 0.4 points in June, after a decline of 2.5 points in May.

After struggling in March, **retail spending** in Canada rebounded in April with a 1.1% increase. Growth was led by strong gains at motor vehicle and parts dealers.

Rising energy prices raised Canada's **inflation rate** to 2.3% in May.

Canada's job market shed 9,400 jobs in June as growth in full-time employment was offset by a sharp decline in part-time jobs.

As a result, Canada's **unemployment rate** rose from 7.0% in May to 7.1% in June.

Net employment in the United States grew by a robust 288,000 jobs in June. This led to a 0.2 percentage point decline in the unemployment rate to 6.1%.

On a month-over-month basis, **Canada's economy** expanded by a slower-than-expected 0.1% in April. This follows a 0.1% increase in real GDP in March. Although wholesale and retail trade posted solid gains, economic activity was restrained by declines in construction, mining, oil and gas extraction, and utilities.

Further revisions to the real GDP data for the **United States** show the economy contracted by an annualized 2.9% in Q1 compared to the previous estimate of -1.0%.

The Conference Board of Canada's **consumer confidence index** slipped by 0.4 points to 86.9 (2002 = 100) in June. This represents the second consecutive monthly decline in confidence.

Month-over-month **retail sales** rebounded in April with 1.1% growth following a tepid 0.1% increase in March. Spending at motor vehicle and parts dealers increased 2.4% following a decline in March. Also posting solid gains were clothing stores (+1.5%), electronics and appliance stores (+1.2%), and general merchandise stores (+0.9%).

Retail sales rose in six provinces in April. Ontario led the country with a 1.9% increase in retail spending. British Columbia and Quebec also posted solid gains. Prince Edward Island reported the largest decline as sales fell by 1.3%.

Canada's year-over-year **inflation rate** accelerated to 2.3% in May from 2.0% in April. Gasoline prices jumped by 6.3% in May compared to May 2013. Consumers also paid more for electricity (+7.0%) and shelter (+3.4%).

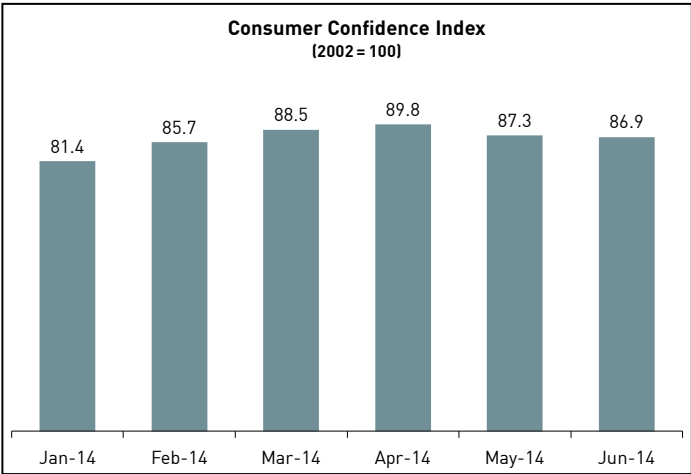
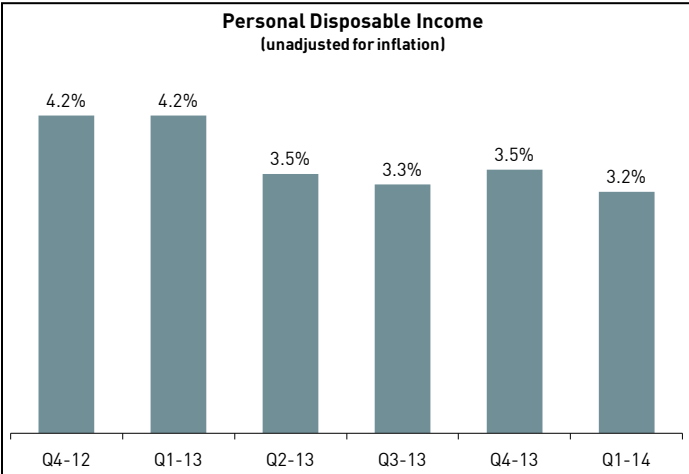
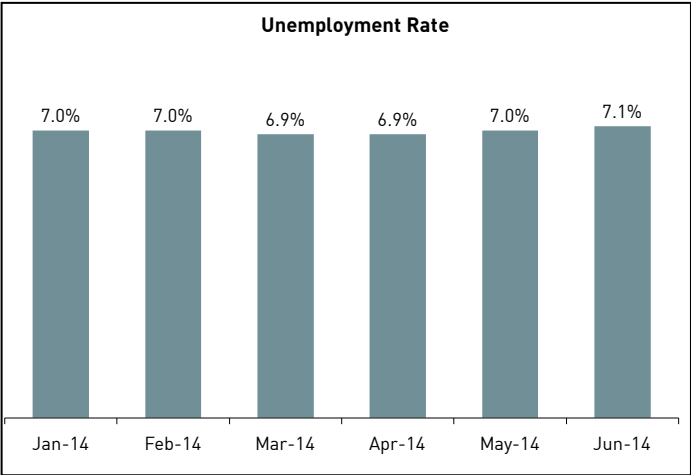
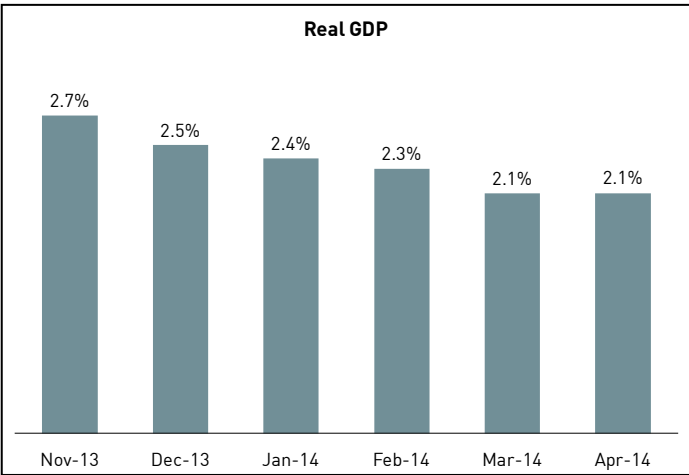
On a year-over-year basis, consumers paid 2.5% more for **food at grocery stores** in May, up from 1.7% in April. Prices rose for pork (16.7%), beef (+11.9%), fish (+7.8%), fresh fruit (+8.5%) and fresh vegetables (+8.5%).

Net employment in Canada slipped by 9,400 jobs in June, after expanding by 25,800 jobs in May. While full-time employment grew by 33,500 jobs, part-time employment fell by 43,000 jobs. As a result, the unemployment rate rose by a tenth of a percentage point to 7.1%.

Although **net employment** fell nationally, seven provinces reported generally modest job gains. Alberta led the country with the creation of 9,400 jobs. In contrast, Ontario posted the largest decline, shedding 33,900 jobs.

In the **United States**, net employment grew by a stronger-than-expected 288,000 jobs in June. The unemployment rate fell by 0.2 percentage points to 6.1%.

Economic Indicators - Canada



Source: Statistics Canada and Conference Board of Canada

Note: GDP and Personal Disposable Income are year-over-year changes. Consumer confidence and the unemployment rate are actual values.

COMMERCIAL FOODSERVICE SALES

	Period	Amount	This period over year ago (%)	Year-to- date (%)	2013 over 2012(%)	2012 over 2011(%)
NOMINAL GROWTH						
Sales (in \$millions)						
Total	April	\$4,589.8	4.8%	4.3%	4.4%	4.8%
Sales by Sector (in \$millions)						
Full-service Restaurants	April	\$1,952.1	4.1%	3.9%	5.2%	4.9%
Quick-service Restaurants	April	\$2,055.9	6.0%	5.4%	4.4%	5.2%
Social & Contract Caterers	April	\$392.3	3.8%	4.7%	3.4%	5.5%
Drinking Places	April	\$189.5	-0.6%	-2.7%	-1.2%	-1.0%
Sales by Province (in \$millions)						
Newfoundland and Labrador	April	\$62.5	-1.5%	2.9%	9.5%	8.4%
Prince Edward Island	April	\$14.2	-0.2%	0.7%	3.6%	2.8%
Nova Scotia	April	\$107.6	1.1%	0.1%	0.3%	3.8%
New Brunswick	April	\$80.6	3.4%	1.4%	-0.1%	1.2%
Quebec	April	\$867.3	1.2%	0.4%	1.9%	4.2%
Ontario	April	\$1,748.9	4.8%	5.0%	4.3%	4.9%
Manitoba	April	\$135.2	3.9%	4.3%	5.0%	5.8%
Saskatchewan	April	\$144.9	3.2%	4.0%	5.9%	7.6%
Alberta	April	\$715.1	8.4%	5.4%	7.3%	8.2%
British Columbia	April	\$700.1	8.2%	8.2%	5.8%	2.0%
REAL GROWTH (see note below)						
Sales (in 2002 \$ millions)						
Total	April	\$3,412.5	2.6%	2.9%	2.9%	2.4%
Sales by Sector (in \$millions)						
Full-service Restaurants	April	\$1,437.5	1.8%	2.5%	3.7%	2.3%
Quick-service Restaurants	April	\$1,563.4	4.3%	4.3%	2.8%	3.2%
Social & Contract Caterers	April	\$291.6	1.6%	3.3%	1.9%	3.1%
Drinking Places	April	\$140.9	-2.7%	-4.0%	-2.7%	-3.4%
Sales by Province (in \$millions)						
Newfoundland and Labrador	April	\$44.2	-3.1%	1.0%	6.6%	5.3%
Prince Edward Island	April	\$10.9	-0.4%	1.1%	2.6%	0.1%
Nova Scotia	April	\$77.3	0.5%	-0.4%	-1.4%	3.0%
New Brunswick	April	\$58.8	1.9%	0.2%	-1.9%	-0.6%
Quebec	April	\$627.1	-2.1%	-2.7%	-0.3%	0.7%
Ontario	April	\$1,319.0	3.8%	3.6%	2.3%	2.6%
Manitoba	April	\$97.3	1.0%	1.0%	1.6%	3.4%
Saskatchewan	April	\$104.0	0.4%	1.1%	3.0%	6.5%
Alberta	April	\$529.7	5.6%	2.8%	4.0%	6.5%
British Columbia	April	\$542.7	5.7%	6.0%	3.6%	-0.1%

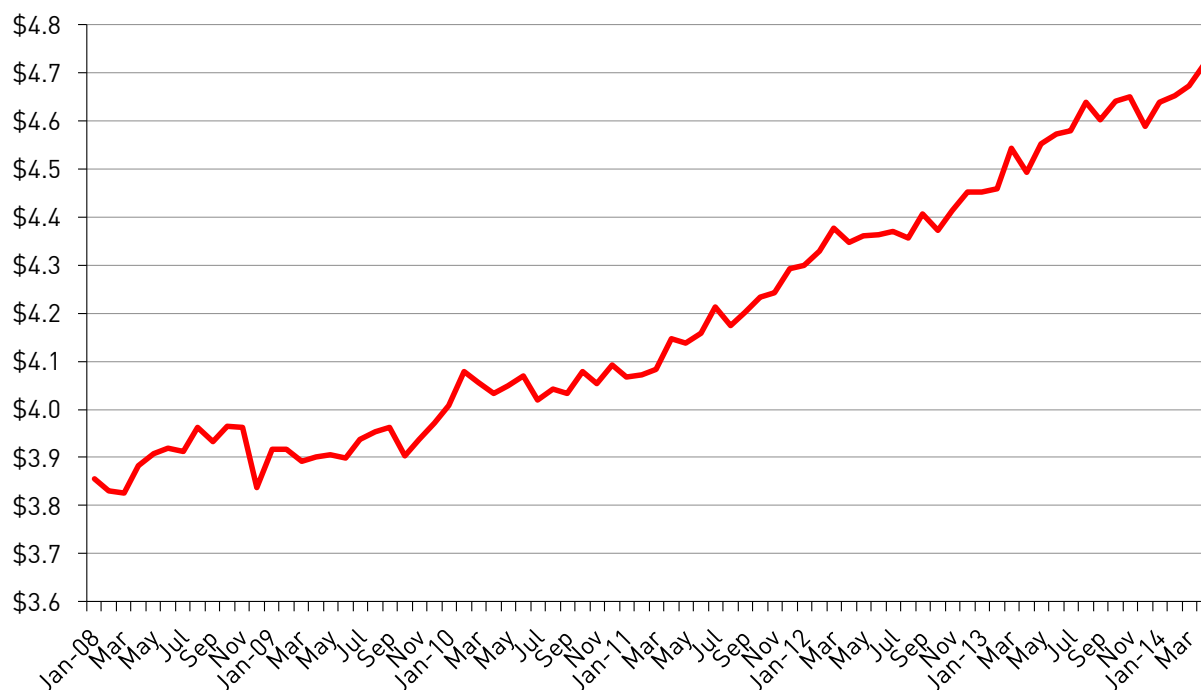
Source: Statistics Canada

SEASONALLY ADJUSTED FOODSERVICE SALES

	Period	Amount	Month-over-month change			
			April	March	February	January
NOMINAL GROWTH						
Sales (in \$millions)						
Total	April	\$4,717.2	1.0%	0.4%	0.3%	1.1%
Sales by Sector (in \$millions)						
Full-service Restaurants	April	\$2,027.8	0.5%	0.7%	0.2%	0.6%
Quick-service Restaurants	April	\$2,090.5	1.0%	0.2%	0.3%	1.6%
Social & Contract Caterers	April	\$408.0	2.9%	1.0%	0.8%	1.2%
Drinking Places	April	\$190.9	0.9%	0.1%	0.1%	0.8%
Sales by Province (in \$millions)						
Newfoundland and Labrador	April	\$67.5	-0.1%	-1.2%	-0.9%	1.3%
Prince Edward Island	April	\$16.6	2.5%	-4.7%	0.3%	1.7%
Nova Scotia	April	\$111.3	1.6%	-2.0%	1.5%	3.4%
New Brunswick	April	\$83.5	4.4%	-3.9%	1.3%	5.1%
Quebec	April	\$885.3	1.1%	-0.3%	0.2%	2.7%
Ontario	April	\$1,802.0	0.1%	0.9%	0.5%	0.4%
Manitoba	April	\$136.9	0.5%	1.1%	-1.6%	0.6%
Saskatchewan	April	\$146.3	-0.3%	0.5%	1.1%	1.3%
Alberta	April	\$728.1	3.4%	0.9%	0.6%	0.4%
British Columbia	April	\$725.7	0.4%	0.8%	-0.5%	0.7%

Source: Statistics Canada

Seasonally Adjusted Commercial Foodservice Sales (in billions)



MENU INFLATION (2002=100)

	Period	Amount	This period over year ago (%)	Year-to- date (%)	2013 over 2012(%)	2012 over 2011(%)
By Sector						
Menu Inflation – Total	April	134.5	2.1%	1.4%	1.5%	2.4%
Menu Inflation – Full Service	April	135.8	2.3%	1.4%	1.5%	2.6%
Menu Inflation – Quick Service	April	131.5	1.7%	1.1%	1.6%	2.0%
Menu Inflation – Cafeterias/Other	April	134.6	2.1%	1.3%	1.5%	2.4%
By Province						
Newfoundland	April	141.4	1.7%	1.9%	2.7%	3.0%
Prince Edward Island	April	130.1	0.2%	-0.4%	1.1%	2.7%
Nova Scotia	April	139.1	0.6%	0.5%	1.7%	0.9%
New Brunswick	April	137.1	1.4%	1.2%	1.9%	1.8%
Quebec	April	138.3	3.4%	3.2%	2.2%	3.6%
Ontario	April	132.6	1.0%	1.3%	2.0%	2.3%
Manitoba	April	138.9	2.9%	3.2%	3.3%	2.4%
Saskatchewan	April	139.3	2.8%	2.9%	2.8%	1.0%
Alberta	April	135.0	2.7%	2.5%	3.1%	1.6%
British Columbia	April	129.0	2.3%	-2.8%	-2.6%	2.1%

THE ECONOMY (seasonally adjusted)

	Period	Amount	This period over year ago (%)	Year-to- date (%)	2013 over 2012(%)	2012 over 2011(%)
General Indicators						
Real GDP (2002 \$billion)	April	\$1,616.0	2.1%	2.2%	2.0%	1.8%
Consumer Price Index (2002=100)	April	125.2	2.0%	1.6%	0.9%	1.5%
Number of Employed ('000's)	April	17,804.3	0.8%	0.8%	1.3%	1.2%
Unemployment Rate ¹	April	6.9%	7.2%	7.0%	7.1%	7.3%
Prime Rate ¹	April	3.00%	3.00%	3.00%	3.0%	3.00%
Consumer Confidence Index	April	89.8	18.8%	8.0%	7.1%	-3.5%
Disposable Income (\$billion)	Q1'14	\$1,103.4	3.2%	3.2%	3.6%	3.9%
Other (in \$ millions)						
Supermarkets and Grocery Stores	April	\$6,810.5	4.3%	0.6%	-0.1%	1.2%
Commercial Foodservice Employment²						
Number of Employed ('000's)	April	984.0	1.5%	2.5%	3.8%	4.3%
Average Weekly Hours	April	22.7	5.6%	2.7%	-1.7%	0.5%
Average Weekly Wage	April	\$334.42	3.2%	1.4%	-1.9%	2.7%

Source: Statistics Canada

¹ Refers to actual values

² Unadjusted for seasonal variation

Commercial Foodservice Sales Trends

year-over-year nominal change

	2013 May	2013 Jun	2013 Jul	2013 Aug	2013 Sep	2013 Oct	2013 Nov	2013 Dec	2014 Jan	2014 Feb	2014 Mar	2014 Apr	2014 Year-to-date
Canada	5.6%	4.3%	5.0%	6.8%	3.9%	6.8%	6.0%	2.4%	5.4%	4.3%	3.0%	4.8%	4.3%
Full-service restaurants	6.4%	4.2%	5.8%	7.7%	4.4%	7.7%	6.8%	2.8%	5.8%	4.6%	1.4%	4.1%	3.9%
Quick-service restaurants	5.0%	5.2%	4.7%	6.3%	5.2%	7.3%	6.3%	3.4%	5.6%	5.0%	4.9%	6.0%	5.4%
Caterers	4.1%	2.5%	5.9%	6.9%	1.0%	5.6%	5.1%	1.1%	4.8%	3.7%	6.6%	3.8%	4.7%
Drinking Places	6.3%	-0.6%	-1.5%	3.0%	-7.8%	-3.2%	-1.1%	-8.9%	-0.7%	-3.7%	-5.5%	-0.6%	-2.7%
Newfoundland and Labrador	10.6%	7.2%	7.1%	10.1%	9.4%	14.1%	13.6%	5.3%	8.3%	3.0%	2.6%	-1.5%	2.9%
Full-service restaurants	23.7%	16.6%	10.2%	13.0%	4.5%	12.4%	13.5%	2.7%	3.2%	-7.4%	-2.6%	-8.7%	-4.1%
Quick-service restaurants	2.4%	0.5%	2.4%	3.7%	8.4%	8.6%	8.7%	2.8%	10.4%	9.1%	4.3%	6.6%	7.4%
Caterers	13.3%	10.6%	24.8%	22.3%	23.6%	27.8%	20.9%	20.6%	7.8%	1.6%	7.3%	-12.2%	1.0%
Drinking Places	17.7%	11.0%	-10.1%	16.2%	-0.5%	25.0%	37.0%	-2.1%	19.2%	11.7%	-3.2%	2.8%	6.4%
Prince Edward Island	4.2%	4.8%	4.8%	1.6%	7.0%	7.1%	1.8%	1.0%	1.8%	5.9%	-3.8%	-0.2%	0.7%
Full-service restaurants	11.2%	9.7%	5.4%	2.1%	8.3%	3.2%	2.3%	10.4%	2.1%	7.2%	-4.5%	2.7%	1.7%
Quick-service restaurants	3.1%	3.1%	4.8%	1.4%	4.3%	10.5%	1.7%	-3.3%	2.7%	5.2%	-2.5%	-2.6%	0.4%
Caterers	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Drinking Places	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Nova Scotia	1.8%	0.2%	2.1%	1.7%	1.8%	0.8%	0.6%	-4.4%	0.2%	2.2%	-2.5%	1.1%	0.1%
Full-service restaurants	5.6%	2.2%	0.5%	3.0%	6.0%	4.8%	-0.2%	-7.6%	-2.4%	0.2%	-3.6%	-0.4%	-1.6%
Quick-service restaurants	-0.7%	-1.1%	2.7%	0.3%	0.3%	0.1%	2.9%	-1.7%	5.2%	6.6%	0.2%	3.3%	3.7%
Caterers	-10.4%	-13.2%	-13.5%	-6.4%	-7.5%	-8.2%	-8.3%	-9.6%	-9.4%	-5.9%	-9.1%	-2.0%	-6.7%
Drinking Places	30.7%	26.7%	35.8%	20.4%	7.5%	4.9%	5.1%	3.4%	-7.2%	-4.7%	-6.6%	-5.3%	-6.0%
New Brunswick	-0.8%	-0.1%	0.3%	0.2%	0.4%	2.4%	1.0%	-4.2%	1.6%	3.4%	-2.2%	3.4%	1.4%
Full-service restaurants	-2.4%	-3.7%	-3.6%	-2.7%	-3.1%	-0.7%	0.2%	-4.5%	2.8%	2.0%	-2.7%	4.0%	1.5%
Quick-service restaurants	0.6%	2.3%	2.8%	2.2%	3.2%	5.3%	2.3%	-2.4%	2.2%	5.2%	-1.5%	3.8%	2.3%
Caterers	-8.0%	-6.5%	0.4%	1.2%	-5.6%	-8.4%	-5.1%	-12.6%	-9.0%	-5.5%	-5.9%	-3.7%	-6.0%
Drinking Places	-4.0%	-5.4%	-8.9%	-8.0%	-6.6%	-2.3%	-4.2%	-15.6%	-2.1%	0.5%	-5.7%	2.5%	-1.4%

Menu Inflation

	2013 Jun	2013 Jul	2013 Aug	2013 Sep	2013 Oct	2013 Nov	2013 Dec	2014 Jan	2014 Feb	2014 Mar	2014 Apr	2014 May	2014 Year-to-date
Canada	1.1%	1.5%	1.5%	1.5%	1.4%	1.2%	1.4%	1.3%	1.1%	1.0%	2.1%	2.1%	1.5%
Full-service restaurants	1.1%	1.2%	1.3%	1.3%	1.4%	1.2%	1.3%	1.4%	1.0%	1.0%	2.3%	2.3%	1.6%
Quick-service restaurants	1.3%	2.0%	1.9%	1.9%	1.7%	1.3%	1.4%	1.0%	0.9%	0.8%	1.7%	1.6%	1.2%
Cafeteria	1.1%	1.5%	1.5%	1.4%	1.4%	1.3%	1.3%	1.2%	1.1%	1.0%	2.1%	2.1%	1.5%
Newfoundland and Labrador	3.0%	3.0%	3.1%	2.8%	2.8%	2.6%	2.4%	2.1%	2.1%	1.8%	1.7%	1.6%	1.8%
Prince Edward Island	2.0%	-0.2%	0.1%	-0.6%	-0.5%	1.2%	1.2%	-0.3%	-0.1%	-1.3%	0.2%	-1.5%	-0.6%
Nova Scotia	2.1%	2.1%	2.1%	1.7%	1.6%	1.3%	1.3%	0.8%	0.5%	0.2%	0.6%	0.4%	0.5%
New Brunswick	2.4%	1.7%	1.6%	1.6%	1.6%	1.1%	1.0%	0.7%	1.3%	1.4%	1.4%	1.7%	1.3%
Quebec	2.2%	2.7%	2.6%	2.6%	2.5%	2.3%	2.9%	2.9%	3.2%	3.3%	3.4%	3.7%	3.3%
Ontario	1.9%	2.2%	2.0%	2.0%	2.0%	1.9%	1.8%	1.8%	1.3%	1.1%	1.0%	1.1%	1.2%
Manitoba	3.1%	4.2%	3.8%	3.3%	4.0%	3.8%	2.5%	3.2%	3.4%	3.3%	2.9%	2.6%	3.1%
Saskatchewan	2.7%	2.7%	3.2%	3.5%	3.5%	3.1%	2.8%	3.3%	2.8%	2.7%	2.8%	2.5%	2.8%
Alberta	2.6%	2.5%	3.3%	3.6%	3.6%	3.0%	3.3%	2.5%	2.3%	2.6%	2.7%	2.0%	2.4%
British Columbia	-4.2%	-4.0%	-4.0%	-4.0%	-4.3%	-4.4%	-4.0%	-4.3%	-4.5%	-4.5%	2.3%	2.1%	-1.9%

Source: Statistics Canada