

Reference Period: November 2014

MONTHLY INFOSTATS



**Restaurants
Canada**

The voice of foodservice | La voix des services alimentaires

Prepared by
Chris Elliott, Senior Economist

February
11, 2015

Monthly InfoStats – November 2014

Commercial Foodservice Industry (preliminary results)

Highlights

Commercial foodservice sales in Canada moderated to 4.2% growth in November following a 6.6% jump in October.

A slowdown in spending across most of the country restrained total sales at **full-service restaurants** to 3.1% growth.

Healthy spending in British Columbia and Alberta boosted total foodservice sales at **quick-service restaurants** by a solid 5.5%.

Caterers led all segments with a 6.9% surge in revenue. Despite the drop in oil prices, caterer revenues rose by 22% in Saskatchewan and 8% in Alberta.

Drinking place sales tumbled by 5.1% due to lower spending across most of the country. In the first 11 months of 2014, drinking place sales slipped by 0.9%.

At the provincial level there were several surprises. Nova Scotia led the country in foodservice sales growth; Alberta continued to post strong gains despite economic uncertainty; and Saskatchewan posted its weakest monthly growth since early 2009.

Total foodservice sales in **Newfoundland and Labrador** were relatively flat (+0.4%) in November as gains at quick-service restaurants and drinking places were offset by declines at caterers and full-service restaurants. As a result, Newfoundland posted the weakest growth in the country following robust gains in 2012 and 2013.

Healthy spending at quick-service restaurants boosted total foodservice sales on **Prince Edward Island** by 4.2%. Sales at full-service restaurants, however, fell for the sixth consecutive month.

Nova Scotia led the country with a 6.7% surge in sales following flat spending in 2013. Full-service restaurants led all segments with double-digit growth of 12.4%.

Total foodservice sales in **New Brunswick** slowed to 1.8% growth due to weaker spending across all segments. Drinking places posted the largest decline as sales tumbled by 11.7%.

Following a solid 4.8% increase in October, total foodservice sales in **Quebec** stumbled with a 0.7% increase. Despite a 5.2% gain at quick-service restaurants, sales fell at full-service restaurants (-1.3%) and drinking places (12.9%).

Total foodservice sales in **Ontario** rose by 5.2% in November as an increase in units and strong consumer spending led to healthy gains at restaurants and caterers.

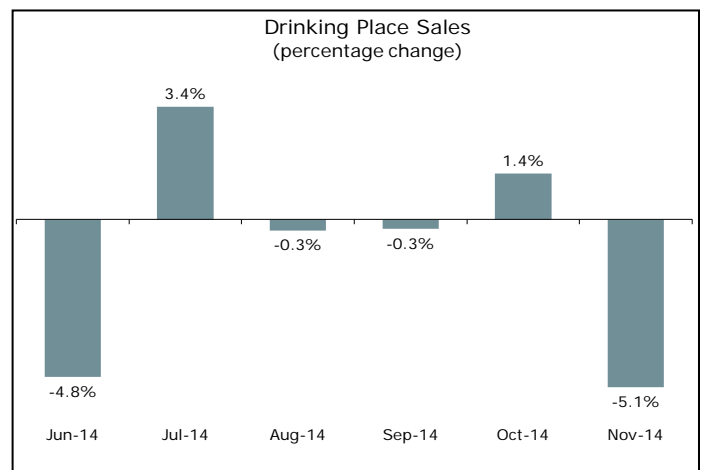
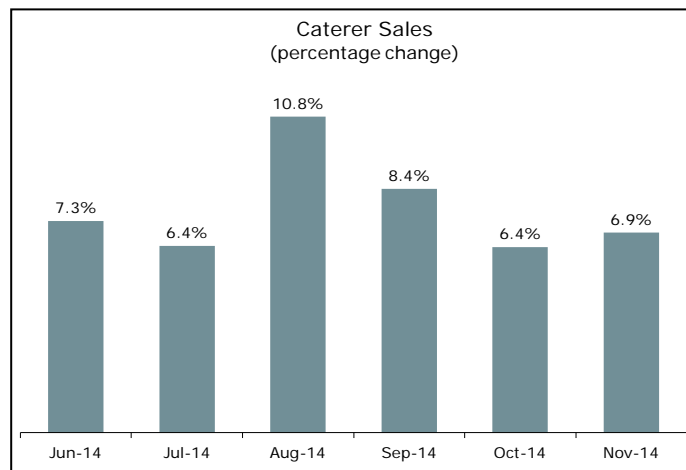
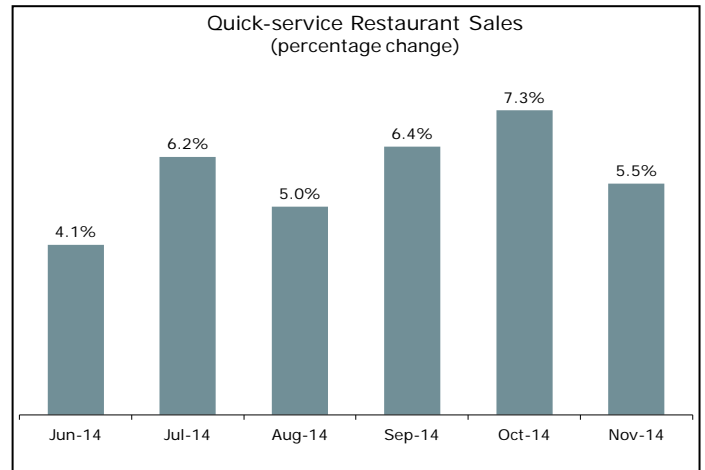
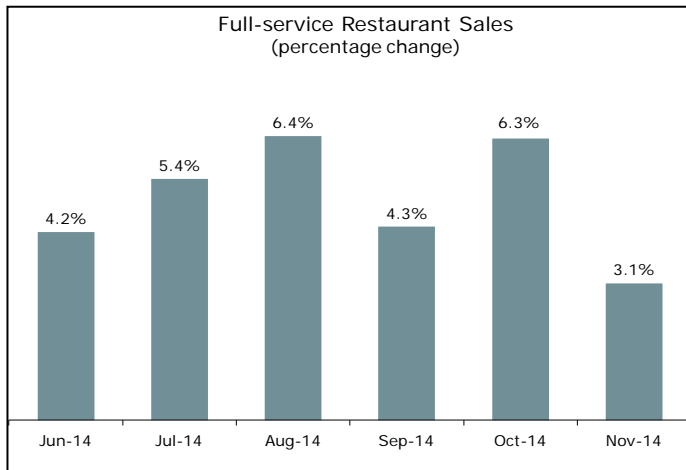
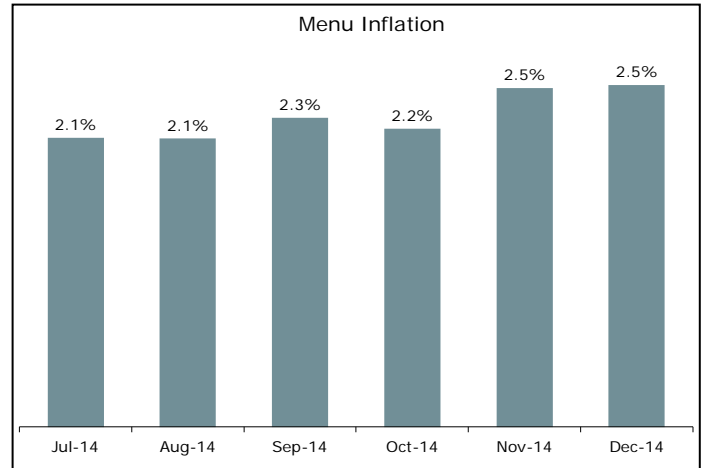
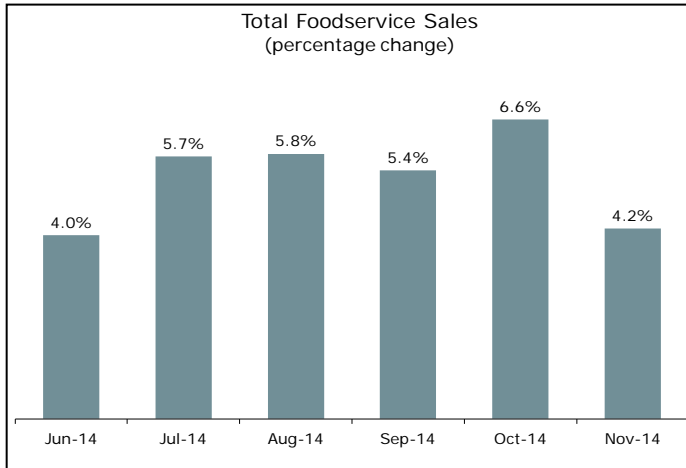
Foodservice sales in **Manitoba** were mixed. Total foodservice sales advanced 3.2% as healthy gains at caterers and quick-service restaurants were offset by a moderation in spending at full-service restaurants and a 7.3% drop in sales at drinking places.

Total foodservice sales in **Saskatchewan** grew by a tepid 0.7%, the province's weakest growth since February 2009. Although caterers posted robust gains, sales moderated at restaurants and declined sharply at drinking places.

The **Alberta** foodservice industry advanced 4.9% following a 7.4% increase in October. Caterers and quick-service restaurants led all segments with growth of 8.0% and 6.0% respectively.

Total foodservice sales in **British Columbia** grew by a healthy 6.3% due to strong spending at restaurants and caterers. British Columbia is on track to lead the country in 2014 with year-to-date sales growth of 7.4%.

Commercial Foodservice Trends - Canada



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

Monthly InfoStats – November 2014

The Economy

Highlights

Canada's economy contracted by 0.2% in November due to lower activity in the manufacturing, mining, and oil and gas sectors.

Consumer confidence rose to its highest level since March 2010 as more Canadians feel optimistic about their finances.

Retail spending grew in seven provinces with the strongest gains in Newfoundland & Labrador and British Columbia.

Lower gasoline prices restrained Canada's inflation rate to 1.5% in December.

Rising prices for beef, pork and fresh vegetables pushed up the overall price of food from grocery stores by 4.2%. This is the largest monthly increase since February 2012.

Total employment in Canada rose by 35,000 jobs in January as a decline in full-time employment was offset by a surge in part-time jobs.

Canada's unemployment rate slipped to 6.6% in January from 6.7% in December.

Net employment in the United States rose by a stronger-than-expected 257,000 jobs in January.

On a month-over-month basis, Canada's real GDP slipped by 0.2% in November following a 0.3% increase in October. Manufacturing activity fell by 1.9% following two consecutive months of growth. Mining (-2.5%) and oil and gas extraction (-0.7%) also posted declines. In contrast, economic activity expanded in the utilities (+2.4%) and retail (+0.9%) industries.

Preliminary data show the United States economy rose by an annualized 2.6% in Q4. This is below expectations for a 3.0% expansion. While consumer spending and investment posted solid gains, growth in imports was a drag on overall economic growth.

The Conference Board of Canada adjusted its consumer confidence index starting with the January 2015 reference period. The data is now indexed to 2014 instead of 2002.

In January, consumer confidence in Canada rose by 2.7 points to 107.0 (2014 = 100) due to falling gasoline prices. This is the highest level since March 2010.

Month-over-month retail sales climbed 0.4% in November following flat spending in October. Analysts were expecting growth of just 0.2%. Cold weather led to a 5.2% surge in clothing store sales.

At the provincial level, retail spending advanced in seven provinces. Growth was led by strong gains in Newfoundland & Labrador (+2.2%) and British Columbia (+1.9). In contrast, sales slipped by 0.6% in Saskatchewan and Alberta.

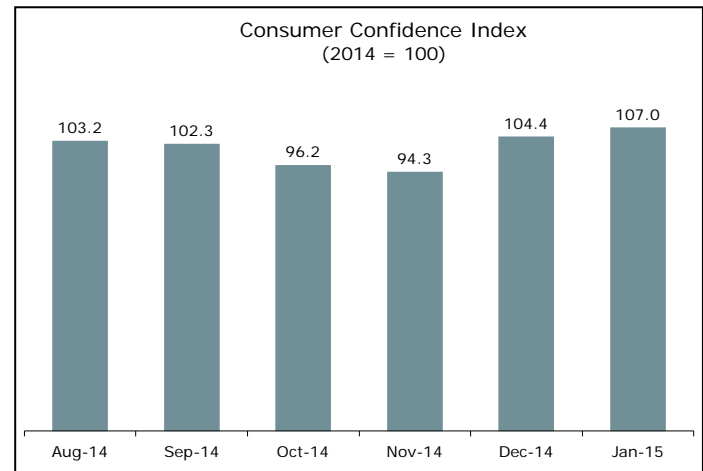
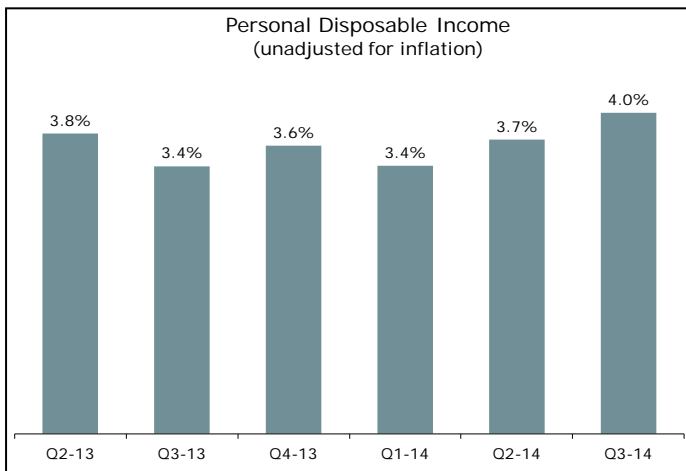
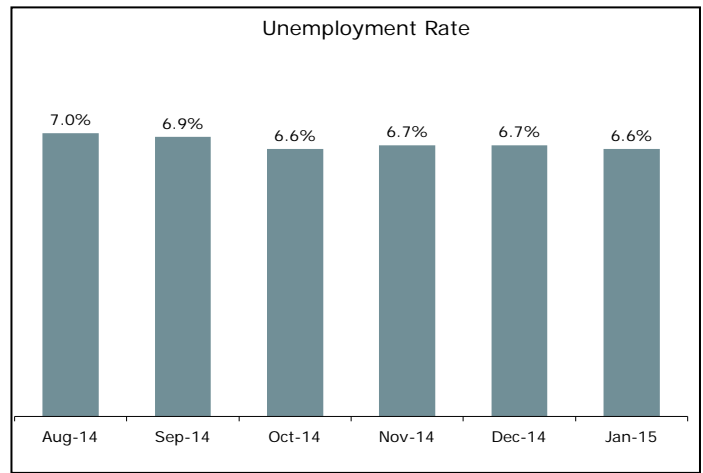
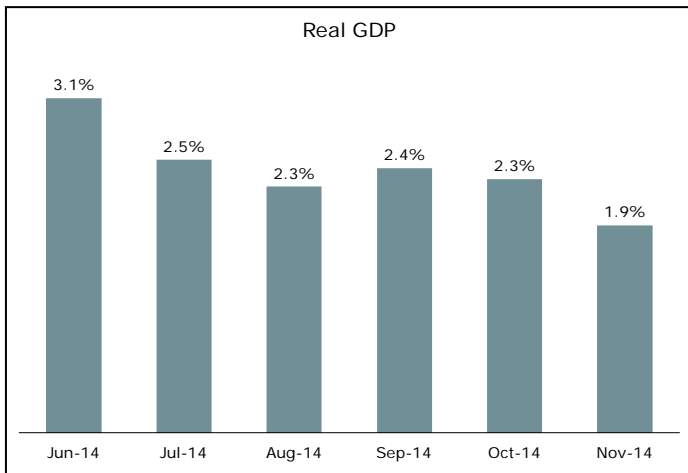
Canada's year-over-year inflation rate decelerated once again to 1.5% in December from 2.0% in November. Gasoline prices fell by 16.6% between December 2013 and December 2014.

On a year-over-year basis, prices for food at grocery stores accelerated to 4.2% in December. This is the largest increase since February 2012. While most food items saw modest gains, pork prices climbed 22.5% and beef prices jumped 19.6%. Fresh vegetable prices rose 6.9% due to higher prices for tomatoes and lettuce.

Net employment in Canada began the year on a strong note, rising by 35,000 jobs. Growth in jobs was driven by a surge in part-time employment (+47,200) while full-time jobs fell by 11,800. The unemployment rate slipped by a tenth of a percentage point to 6.6%.

In the United States, net employment rose by a healthy 257,000 jobs in January. More people entering the workforce raised the unemployment rate by a tenth of a percentage point to 5.7%.

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	November	\$4,781.3	4.2%	5.1%	4.4%	4.8%
Sales by Sector (in \$millions)						
Full-service Restaurants	November	\$2,013.2	3.1%	4.8%	5.2%	4.9%
Quick-service Restaurants	November	\$2,138.0	5.5%	5.7%	4.4%	5.2%
Social & Contract Caterers	November	\$448.5	6.9%	6.8%	3.4%	5.5%
Drinking Places	November	\$181.6	-5.1%	-0.9%	-1.2%	-1.0%
Sales by Province (in \$millions)						
Newfoundland and Labrador	November	\$71.1	0.4%	1.3%	9.5%	8.4%
Prince Edward Island	November	\$15.1	4.2%	1.8%	3.6%	2.8%
Nova Scotia	November	\$116.6	6.7%	4.7%	0.3%	3.8%
New Brunswick	November	\$83.5	1.8%	3.5%	-0.1%	1.2%
Quebec	November	\$858.6	0.7%	1.2%	1.9%	4.2%
Ontario	November	\$1,880.0	5.2%	6.2%	4.3%	4.9%
Manitoba	November	\$140.8	3.2%	4.7%	5.0%	5.8%
Saskatchewan	November	\$149.2	0.7%	4.8%	5.9%	7.6%
Alberta	November	\$735.1	4.9%	6.0%	7.3%	8.2%
British Columbia	November	\$718.5	6.3%	7.4%	5.8%	2.0%
REAL GROWTH						
Sales (in 2002 \$ millions)						
Total	November	\$3,502.8	1.6%	3.1%	2.9%	2.4%
Sales by Sector (in \$millions)						
Full-service Restaurants	November	\$1,458.8	0.3%	2.6%	3.7%	2.3%
Quick-service Restaurants	November	\$1,607.5	3.8%	4.2%	2.8%	3.2%
Social & Contract Caterers	November	\$328.6	4.3%	4.7%	1.9%	3.1%
Drinking Places	November	\$133.0	-7.4%	-2.7%	-2.7%	-3.4%
Sales by Province (in \$millions)						
Newfoundland and Labrador	November	\$49.2	-1.9%	-0.7%	6.6%	5.3%
Prince Edward Island	November	\$11.3	2.4%	1.9%	2.6%	0.1%
Nova Scotia	November	\$82.0	4.3%	3.4%	-1.4%	3.0%
New Brunswick	November	\$60.1	-0.2%	1.8%	-1.9%	-0.6%
Quebec	November	\$609.4	-3.1%	-2.3%	-0.3%	0.7%
Ontario	November	\$1,399.8	3.6%	4.9%	2.3%	2.6%
Manitoba	November	\$98.6	0.2%	1.6%	1.6%	3.4%
Saskatchewan	November	\$105.7	-1.9%	2.2%	3.0%	6.5%
Alberta	November	\$537.0	2.5%	3.6%	4.0%	6.5%
British Columbia	November	\$551.4	3.8%	5.3%	3.6%	-0.1%

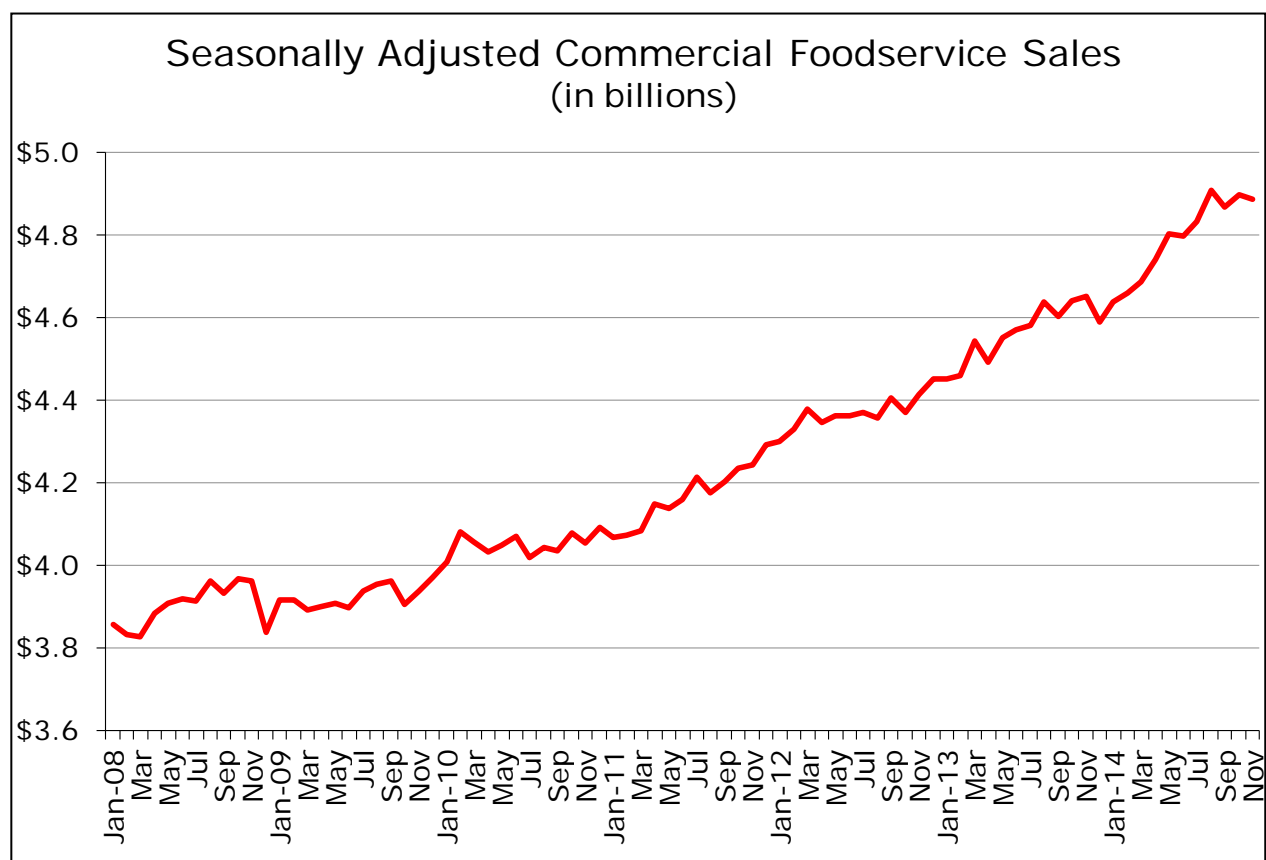
Source: Statistics Canada

SEASONALLY ADJUSTED FOODSERVICE SALES

Month-over-month change

	Period	Amount	November	October	September	August
NOMINAL GROWTH						
Sales (in \$millions)						
Total	November	\$4,887.3	-0.2%	0.6%	-0.8%	1.6%
Sales by Sector (in \$millions)						
Full-service Restaurants	November	\$2,093.2	-0.6%	0.6%	-2.1%	2.2%
Quick-service Restaurants	November	\$2,185.8	0.0%	0.7%	0.9%	0.7%
Social & Contract Caterers	November	\$420.5	0.7%	0.2%	-2.9%	3.9%
Drinking Places	November	\$187.9	-0.2%	-0.9%	-1.2%	-0.9%
Sales by Province (in \$millions)						
Newfoundland and Labrador	November	\$70.7	2.0%	0.6%	1.3%	1.8%
Prince Edward Island	November	\$17.3	0.1%	2.3%	0.1%	-0.5%
Nova Scotia	November	\$118.6	-0.1%	0.1%	-2.5%	2.3%
New Brunswick	November	\$84.7	-0.4%	0.3%	-0.7%	0.3%
Quebec	November	\$894.0	-0.7%	0.8%	-1.6%	1.6%
Ontario	November	\$1,885.3	-0.9%	0.3%	-0.2%	1.4%
Manitoba	November	\$143.1	-1.1%	3.9%	-1.5%	0.2%
Saskatchewan	November	\$152.5	-0.1%	1.6%	-2.1%	1.1%
Alberta	November	\$744.9	0.3%	0.7%	-0.8%	1.7%
British Columbia	November	\$762.5	1.6%	0.2%	-0.9%	2.3%

Source: Statistics Canada



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	November	136.5	2.5%	1.9%	1.5%	2.4%
Menu Inflation – Full Service	November	138.0	2.8%	2.1%	1.5%	2.6%
Menu Inflation – Quick Service	November	133.0	1.7%	1.4%	1.6%	2.0%
Menu Inflation – Cafeterias	November	136.6	2.5%	1.9%	1.5%	2.4%
By Province						
Newfoundland	November	144.5	2.3%	2.0%	2.7%	3.0%
Prince Edward Island	November	133.7	1.8%	-0.1%	1.1%	2.7%
Nova Scotia	November	142.2	2.4%	1.1%	1.7%	0.9%
New Brunswick	November	138.9	2.1%	1.6%	1.9%	1.8%
Quebec	November	140.9	3.9%	3.5%	2.2%	3.6%
Ontario	November	134.3	1.6%	1.2%	2.0%	2.3%
Manitoba	November	142.8	3.0%	3.1%	3.3%	2.4%
Saskatchewan	November	141.2	2.6%	2.5%	2.8%	1.0%
Alberta	November	136.9	2.4%	2.3%	3.1%	1.6%
British Columbia	November	130.3	2.4%	0.2%	-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)	November	\$1,647.9	2.3%	2.3%	2.1%	2.0%
Consumer Price Index (2002=100)	November	125.4	1.9%	1.9%	0.9%	1.5%
Number of Employed ('000's)	November	17,862.8	0.6%	0.6%	1.4%	1.3%
Unemployment Rate ¹	November	6.7%	7.0%	6.9%	7.1%	7.3%
Prime Rate ¹	November	3.00%	3.00%	3.00%	3.00%	3.00%
Consumer Confidence (2014=100)	November	94.3	4.1%	4.1%	9.2%	-4.6%
Disposable Income (\$billion)	Q3'14	\$1,125.7	4.0%	3.7%	3.6%	3.9%
Other (in \$ millions)						
Supermarkets and Grocery Stores	November	\$6,863.2	0.9%	0.9%	0.2%	1.3%
Commercial Foodservice Employment²						
Number of Employed ('000's)	November	1,016.8	2.2%	2.2%	3.8%	4.3%
Average Weekly Hours	November	22.2	1.4%	1.4%	-1.7%	0.5%
Average Weekly Wage	November	\$338.33	1.5%	1.5%	-1.9%	2.7%

Source: Statistics Canada

¹ Refers to actual values

² Unadjusted for seasonal variation

	2013 Dec	2014 Jan	2014 Feb	2014 Mar	2014 Apr	2014 May	2014 Jun	2014 Jul	2014 Aug	2014 Sep	2014 Oct	2014 Nov	2014 Year-to-date
Quebec	-1.3%	3.2%	0.4%	-3.0%	-0.1%	1.0%	-1.0%	2.0%	3.0%	2.3%	4.8%	0.7%	1.2%
Full-service restaurants	-1.8%	3.6%	-0.9%	-6.3%	-0.3%	0.5%	-2.4%	0.9%	2.1%	0.1%	4.3%	-1.3%	0.0%
Quick-service restaurants	3.2%	5.9%	5.3%	2.1%	0.0%	2.5%	1.2%	3.7%	4.3%	6.0%	7.4%	5.2%	3.9%
Caterers	-1.9%	-1.3%	-2.4%	4.6%	-0.5%	2.3%	2.8%	3.2%	12.6%	5.2%	2.4%	1.8%	2.8%
Drinking Places	-18.6%	-8.7%	-11.3%	-12.9%	1.6%	-5.5%	-8.4%	-0.4%	-7.8%	-5.3%	-4.7%	-12.9%	-7.0%
Ontario	1.8%	4.4%	6.0%	4.5%	5.6%	8.0%	5.3%	7.3%	6.4%	7.4%	7.5%	5.2%	6.2%
Full-service restaurants	1.3%	4.3%	6.7%	4.8%	4.2%	8.9%	5.7%	6.9%	6.4%	7.8%	7.7%	4.5%	6.2%
Quick-service restaurants	3.2%	3.7%	5.4%	4.6%	7.5%	6.9%	5.3%	7.8%	5.6%	6.5%	7.3%	5.3%	6.0%
Caterers	0.1%	8.4%	7.3%	6.1%	1.8%	9.0%	7.0%	6.7%	11.7%	11.0%	9.1%	8.9%	8.0%
Drinking Places	-6.8%	6.3%	1.8%	-7.0%	6.1%	9.1%	-4.8%	8.1%	3.9%	2.8%	2.9%	1.8%	2.7%
Manitoba	5.9%	9.7%	6.1%	0.2%	4.6%	6.6%	2.6%	5.6%	4.2%	2.9%	7.1%	3.2%	4.7%
Full-service restaurants	9.2%	14.5%	8.3%	-7.1%	1.3%	7.1%	1.2%	5.6%	3.6%	1.6%	5.8%	1.2%	3.6%
Quick-service restaurants	1.0%	5.5%	6.3%	6.2%	9.1%	5.9%	2.8%	1.9%	0.8%	2.6%	5.0%	4.6%	4.5%
Caterers	25.1%	15.1%	-2.0%	9.4%	-2.4%	12.4%	10.5%	38.2%	34.8%	13.6%	25.9%	7.6%	14.6%
Drinking Places	-15.7%	-11.9%	-9.8%	-7.4%	-5.1%	-1.7%	0.0%	4.1%	8.0%	-7.1%	3.4%	-7.3%	-3.2%
Saskatchewan	1.9%	4.7%	4.4%	4.5%	5.9%	5.0%	4.7%	6.3%	6.8%	3.1%	5.8%	0.7%	4.8%
Full-service restaurants	0.6%	5.1%	3.9%	5.2%	3.1%	4.2%	7.1%	7.7%	8.2%	4.9%	5.5%	-1.1%	4.9%
Quick-service restaurants	3.5%	5.3%	4.4%	5.5%	9.0%	5.8%	3.1%	4.8%	6.5%	3.7%	6.2%	2.1%	5.1%
Caterers	12.6%	6.8%	21.7%	20.1%	23.4%	15.5%	21.3%	22.3%	18.8%	0.9%	16.8%	21.8%	16.8%
Drinking Places	-8.9%	-3.6%	-5.0%	-15.4%	-7.1%	-2.6%	-8.6%	-2.6%	-6.5%	-8.9%	-4.0%	-14.0%	-7.2%
Alberta	4.0%	5.3%	2.7%	5.2%	8.2%	8.1%	6.4%	5.9%	6.8%	5.1%	7.4%	4.9%	6.0%
Full-service restaurants	6.7%	4.9%	5.4%	4.1%	7.2%	10.0%	11.5%	6.3%	9.8%	4.2%	7.3%	4.3%	6.9%
Quick-service restaurants	3.2%	6.9%	1.3%	7.2%	9.0%	5.8%	0.8%	4.5%	3.4%	5.2%	7.4%	6.0%	5.2%
Caterers	-2.3%	1.6%	-1.0%	7.7%	14.2%	17.3%	18.5%	13.7%	15.5%	10.8%	8.8%	8.0%	10.0%
Drinking Places	-4.2%	0.8%	-2.8%	-7.3%	-0.1%	-2.8%	-2.6%	1.9%	-1.3%	2.2%	5.9%	-6.9%	-1.3%
British Columbia	8.2%	11.0%	6.9%	7.9%	9.1%	8.0%	5.9%	7.1%	7.6%	6.0%	6.3%	6.3%	7.4%
Full-service restaurants	10.1%	13.1%	7.8%	5.7%	9.4%	5.3%	4.4%	6.5%	8.2%	2.9%	4.8%	4.9%	6.5%
Quick-service restaurants	7.7%	10.5%	6.8%	9.1%	8.3%	9.1%	8.2%	8.1%	6.7%	10.0%	9.1%	8.5%	8.6%
Caterers	6.7%	7.6%	8.7%	10.8%	14.3%	18.7%	10.3%	6.1%	10.1%	6.3%	1.1%	7.7%	9.0%
Drinking Places	-1.9%	3.1%	-0.6%	13.9%	5.9%	9.6%	-2.0%	5.7%	6.1%	3.3%	5.6%	0.3%	4.6%

Menu Inflation

	2014 Jan	2014 Feb	2014 Mar	2014 Apr	2014 May	2014 Jun	2014 Jul	2014 Aug	2014 Sep	2014 Oct	2014 Nov	2014 Dec	2014 Year-to-date
Canada	1.3%	1.1%	1.0%	2.1%	2.1%	2.3%	2.1%	2.1%	2.3%	2.2%	2.5%	2.5%	2.0%
Full-service restaurants	1.4%	1.0%	1.0%	2.3%	2.3%	2.5%	2.4%	2.4%	2.5%	2.4%	2.8%	2.7%	2.1%
Quick-service restaurants	1.0%	0.9%	0.8%	1.7%	1.6%	1.6%	1.4%	1.5%	1.7%	1.6%	1.7%	1.9%	1.4%
Cafeteria	1.2%	1.1%	1.0%	2.1%	2.1%	2.3%	2.2%	2.1%	2.3%	2.3%	2.5%	2.5%	2.0%
Newfoundland and Labrador	2.1%	2.1%	1.8%	1.7%	1.6%	1.6%	1.9%	2.1%	2.6%	2.4%	2.3%	2.8%	2.1%
Prince Edward Island	-0.3%	-0.1%	-1.3%	0.2%	-1.5%	-1.4%	-0.8%	-0.6%	1.5%	1.4%	1.8%	1.9%	0.1%
Nova Scotia	0.8%	0.5%	0.2%	0.6%	0.4%	1.0%	1.4%	1.5%	1.9%	1.9%	2.4%	2.8%	1.3%
New Brunswick	0.7%	1.3%	1.4%	1.4%	1.7%	1.5%	1.8%	1.9%	2.0%	1.9%	2.1%	2.4%	1.7%
Quebec	2.9%	3.2%	3.3%	3.4%	3.7%	3.8%	3.6%	3.7%	3.7%	3.5%	3.9%	3.7%	3.5%
Ontario	1.8%	1.3%	1.1%	1.0%	1.1%	1.3%	1.0%	1.0%	1.4%	1.3%	1.6%	1.6%	1.3%
Manitoba	3.2%	3.4%	3.3%	2.9%	2.6%	4.2%	3.1%	2.8%	2.9%	2.7%	3.0%	3.7%	3.1%
Saskatchewan	3.3%	2.8%	2.7%	2.8%	2.5%	2.1%	2.6%	2.2%	2.2%	2.3%	2.6%	3.0%	2.6%
Alberta	2.5%	2.3%	2.6%	2.7%	2.0%	2.2%	2.8%	2.0%	1.9%	2.1%	2.4%	2.6%	2.3%
British Columbia	-4.3%	-4.5%	-4.5%	2.3%	2.1%	1.7%	1.8%	2.0%	2.0%	2.1%	2.4%	2.2%	0.4%

Source: Statistics Canada