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Foodservice Industry Forecast 2022-2026

Executive Summary

Highlights:

$73.2 billion

Annual commercial foodservice sales are forecast to increase to $73.2 billion in 2022. While this represents a 12.4% increase over 2021, sales would remain 5% below pre-pandemic levels.

While the Omicron variant will continue to disrupt consumer spending at restaurants in Q1 2022, the downturn is expected to be short lived. As the number of cases declines and on-premise dining restrictions are lifted, sales are expected to improve in Q2, gaining momentum throughout the remainder of the year.

A return in consumer confidence, business dining and tourists will help Canada's foodservice industry return to pre-pandemic levels in 2023, with annual sales forecast to rise to $83.3 billion.

By 2026, commercial foodservice sales are projected to increase to more than $97.5 billion due to a rebound in spending by consumers, businesses and tourists.

Quick-service restaurants were the first segment to return back to pre-pandemic levels with a 3.1% increase in sales in Q3 2021 over Q3 2019. While the Omicron variant will restrain foodservice sales in Q1 2022, a rebound in spending beginning in Q2 2022 will continue throughout the remainder of the year. As a result, annual foodservice sales will continue their current trajectory, rising to $35.0 billion. This represents a 3.7% increase above pre-pandemic levels.

After a sharp improvement in sales at full-service restaurants in the third quarter of 2021, the Omicron variant is expected to delay the segment's return to pre-pandemic levels until the third quarter of 2022. Overall, total foodservice sales in 2022 are expected to grow to $31.2 billion, an 18.4% increase over 2021. In 2023, annual sales at full-service restaurants are forecast to surpass its pre-pandemic levels.

Caterer revenues will struggle in Q1 2022 due to the impact of the Omicron variant. A decline in the number of COVID-19 cases will help boost caterer revenues across a number of sub-segments. As a result, annual caterer revenues are forecast to advance to nearly $5 billion in 2022, a 29.3% increase over 2021. In 2023, caterers are forecast to improve sharply, with sales to $6.4 billion – 1.8% above 2019 levels.

While the Omicron variant will restrain drinking place sales in Q1 2022, annual sales are forecast to expand to $2 billion in 2022 – a 34.2% increase over 2021. Looking ahead, pent-up consumer demand and accumulated household savings are expected to boost drinking place sales to $2.6 billion in 2023, which will be just 2.6% below 2019 levels. In 2024, sales are forecast to return to pre-pandemic levels for the first time.

Menu prices in Canada are forecast to increase by 5.2% in 2022 following a projected 3.3% increase in 2021.

In Quebec, sharply lower sales at full-service restaurants and drinking places during the lockdown is forecast to restrain annual foodservice sales to $14 billion in 2022. Pent-up consumer demand and an increase in the number of tourists is forecast to boost foodservice sales in Quebec to a record $16 billion in 2023. This would represent an 8.0% increase above 2019 levels.

In Ontario, annual foodservice sales are forecast to grow to $28.5 billion in 2022. As Canadians return to their workplaces and tourism and business dining spending rebounds, Ontario's foodservice industry is forecast to jump to $33.2 billion in annual sales in 2023 – 8.5% above 2019 levels.

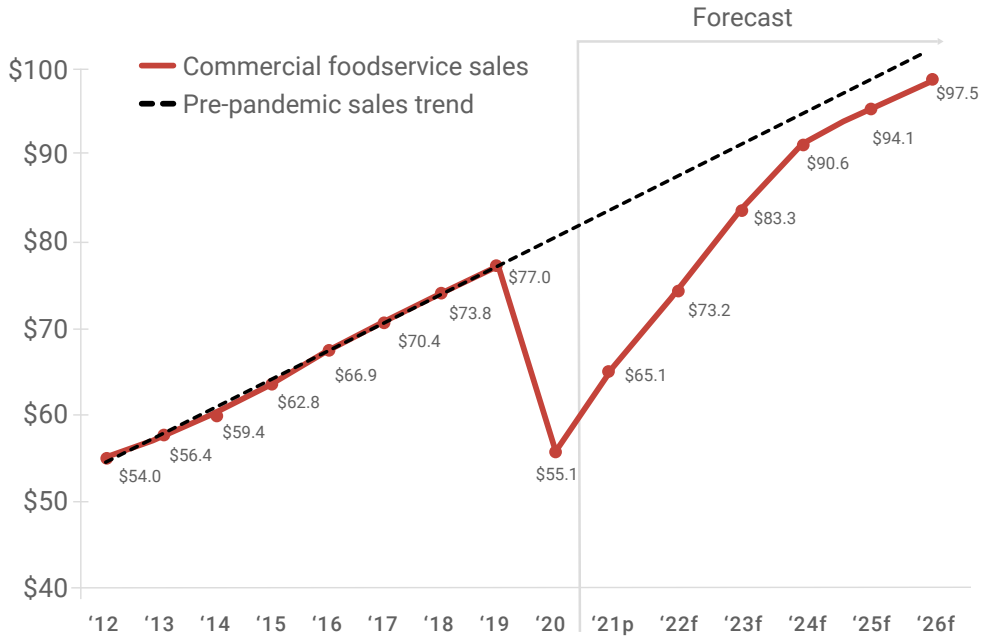
The Omicron variant will lead to a short-term drop in foodservice spending in Alberta, which will restrain annual foodservice sales to $9.4 billion in 2022. A much stronger rebound at full-service restaurants, caterers and drinking places will boost commercial foodservice sales in Alberta to a record $10.7 billion in 2023. This will be the first time Alberta surpasses the $10 billion mark in annual sales.

While the Omicron variant will stall the recovery in British Columbia's foodservice industry in the first quarter, an expected rebound in consumer spending is forecast to boost annual sales in 2022 to $12.9 billion. A continued recovery in consumer spending, a strong economy and increased tourism is expected to boost foodservice sales to a record $14.3 billion in 2023.

Commercial Foodservice Sales in Canada
Year-over-Year Nominal Change

	2019	2020	2021p	2022f	2023f	2024f	2025f	2026f
Quick-service Restaurants	4.4%	-14.3%	15.6%	4.7%	7.2%	7.4%	3.9%	3.5%
Full-service Restaurants	4.8%	-37.2%	22.3%	18.4%	18.0%	10.0%	3.9%	3.6%
Caterers	6.0%	-47.8%	16.5%	29.3%	29.4%	11.0%	4.6%	5.3%
Drinking Places	-3.1%	-48.0%	8.7%	34.2%	28.4%	4.1%	1.6%	1.7%
Total Sales	4.4%	-28.4%	18.1%	12.4%	13.9%	8.7%	3.9%	3.6%

Commercial Foodservice Sales Forecast
(in billions)



Source: Restaurants Canada and Statistics Canada

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National Foodservice Industry Forecast

After three consecutive quarters of improving foodservice sales, the surge in the Omicron variant in the latter part of December 2021, and the resulting restrictions in on-premise dining, are projected to weigh down foodservice sales in the fourth quarter of 2021 and the first quarter of 2022.

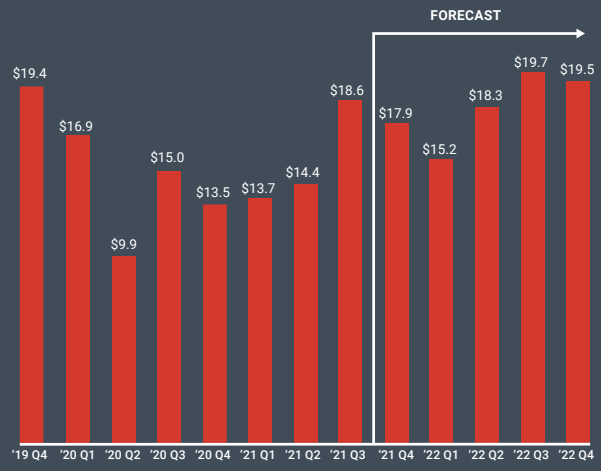
Looking back on 2021, it was a tale of two halves for Canada's foodservice industry. The impact of the second and third waves of COVID-19 resulted in commercial foodservice sales declining by 26.1% in the first half of 2021, compared to the first half of 2019. Canada's foodservice industry rebounded sharply in the second half of the year due to the rollout of vaccinations and a loosening of lockdowns. As a result, Q3 sales were just 3.7% below Q3 2019 levels. Overall, foodservice sales are projected to grow to $65.1 billion in 2021, an 18.1% increase over 2020, but still 15.5% below 2019 levels.

While the Omicron variant will continue to disrupt consumer spending at restaurants in Q1 2022, the downturn is expected to be short lived. As the number of cases declines and on-premise dining restrictions are lifted, sales are expected to improve in Q2, gaining momentum throughout the remainder of the year. As a result, annual foodservice spending is forecast to increase to $73.2 billion in 2022.

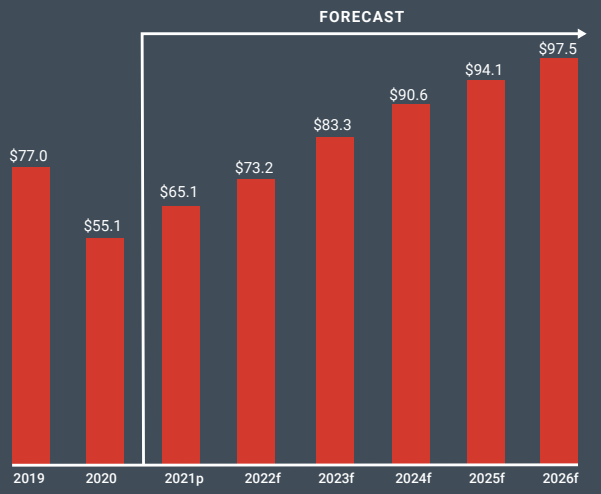
A return in consumer confidence, business dining and tourists will help Canada's foodservice industry return to pre-pandemic levels in 2023, with annual sales forecast to rise to $83.3 billion.

Canada		
	Year-over-year nominal change in commercial foodservice sales	Annual change compared to 2019
2019	4.4%	--
2020	-28.4%	-28.4%
2021p	18.1%	-15.5%
2022f	12.4%	-5.0%
2023f	13.9%	8.2%
2024f	8.7%	17.6%
2025f	3.9%	22.2%
2026f	3.6%	26.6%

Quarterly Commercial Foodservice Sales - Canada
(seasonally adjusted, in billion of dollars)



Commercial Foodservice Sales Forecast
(in billions)



Source: Statistics Canada and Restaurants Canada

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Quick-service Restaurants

Thanks to its reliance on off-premise dining, quick-service restaurants weathered the pandemic better than other commercial foodservice segments. As a result, quick-service restaurants were the first segment to return back to pre-pandemic levels with a 3.1% increase in sales in Q3 2021 over Q3 2019.

Looking back, quick-service restaurant sales in 2021 were projected to rise to $33.4 billion, a solid 15.6% increase over 2020, but, due to the weak first half of the year, still 0.9% below 2019 levels.

Quick-service restaurants are forecast to experience a modest dip due to the impact of the Omicron variant, with sales forecast to drop by 1% in Q1 2022 compared to Q1 2019. By comparison, larger declines in sales are forecasted for full-service restaurants (-32%) and drinking places (-50%).

A rebound in spending beginning in Q2 2022 will continue throughout the remainder of the year. As a result, annual foodservice sales will continue their current trajectory, rising to $35.0 billion. This represents a 3.7% increase above pre-pandemic levels.

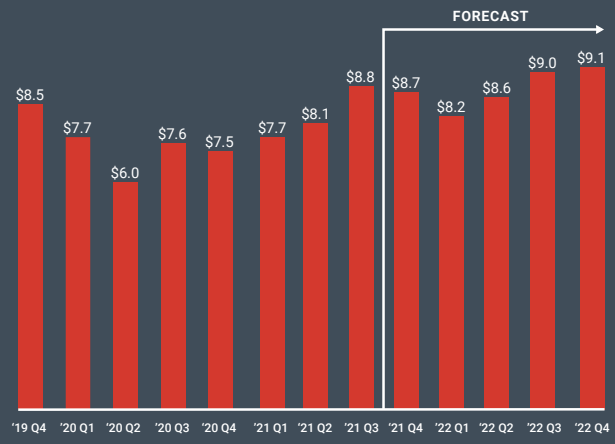
Over the long term, convenience and value will remain the main drivers of quick-service restaurant sales, which are forecast to grow to $43.3 billion by 2026.

Quick-service Restaurants

	Year-over-year nominal change in commercial foodservice sales	Annual change compared to 2019
2019	4.4%	--
2020	-14.3%	-14.3%
2021p	15.6%	-0.9%
2022f	4.7%	3.7%
2023f	7.2%	11.2%
2024f	7.4%	19.4%
2025f	3.9%	24.1%
2026f	3.5%	28.4%

Quarterly Quick-service Restaurant Sales - Canada

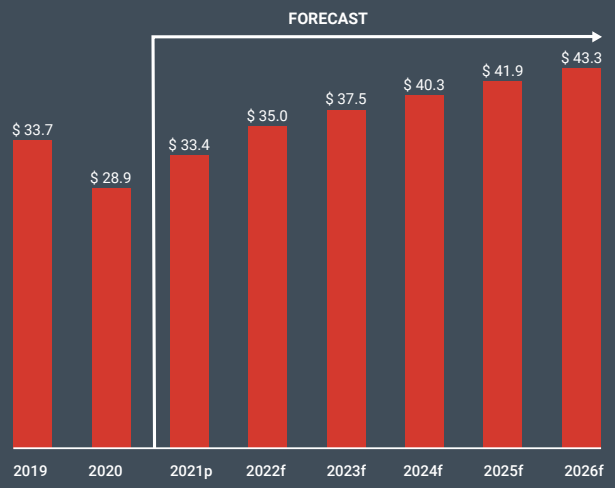
(seasonally adjusted, in billion of dollars)



Source: Statistics Canada and Restaurants Canada

Quick-service Restaurants Sales

(in billions)



Source: Statistics Canada and Restaurants Canada

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Full-service Restaurants

After a sharp improvement in sales at full-service restaurants in the third quarter of 2021, the Omicron variant is expected to delay the segment's return to pre-pandemic levels until the third quarter of 2022.

Since the start of the pandemic, sales at full-service restaurants have experienced a roller coaster ride of historic proportions. In the first half of 2021, the pandemic led to on-premise dining restrictions in many parts of the country, resulting in a 40.3% drop in sales compared to the first half of 2019. In Q3, however, sales at full-service restaurants were down just 4.4% compared to Q3 2019, due to a loosening of on-premise dining restrictions, an increase in vaccinations, pent-up consumer demand and the opening of patios. The closing of patios and rising rates of the Omicron variant stalled the recovery in Q4, however, resulting in a projected decline of 11% compared to Q4 2019.

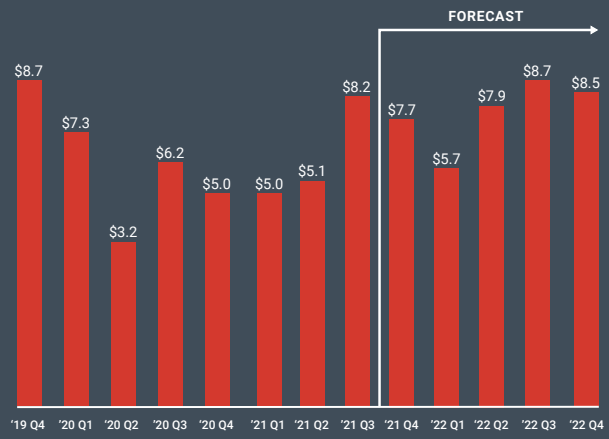
With on-premise dining restrictions imposed once again in many parts of the country, sales at full-service restaurants are forecast to tumble by 32% in Q1 2022 compared to Q1 2019. As the number of cases falls and patios begin to reopen, sales are expected to improve in Q2, and finally return to pre-pandemic levels in Q3 2022. As a result, total foodservice sales in 2022 are expected to grow to $31.2 billion, an 18.4% increase over 2021.

In 2023, annual sales at full-service restaurants are forecast to surpass its pre-pandemic levels. Due to an expected rebound in tourism and business spending, in 2024 full-service restaurants are expected to surpass quick-service restaurants with the highest annual sales for the first time since 2019.

Full-service Restaurants

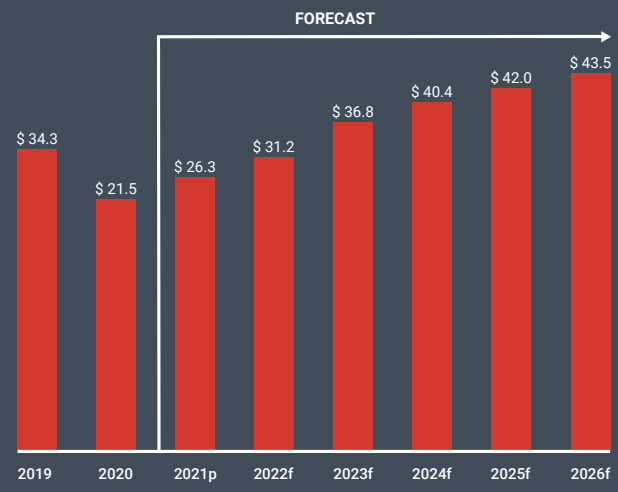
	Year-over-year nominal change in commercial foodservice sales	Annual change compared to 2019
2019	4.8%	--
2020	-37.2%	-37.2%
2021p	22.3%	-23.2%
2022f	18.4%	-9.1%
2023f	18.0%	7.2%
2024f	10.0%	18.0%
2025f	3.9%	22.5%
2026f	3.6%	26.9%

Quarterly Full-service Restaurant Sales - Canada
(seasonally adjusted, in billions of dollars)



Source: Statistics Canada and Restaurants Canada

Full-service Restaurants Sales
(in billions)



Source: Statistics Canada and Restaurants Canada

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Caterers

Caterers were among the hardest-hit segments in 2020. Annual foodservice sales fell to $3.3 billion, representing a staggering 47.8% decline compared to 2019. The steep drop was the result of broad-based revenue declines across a number of sub-segments within the caterer category, including education, remote camps, business dining, healthcare and transportation, along with the cancellation of many social caterer events (e.g. weddings).

Many of these sub-segments continued to struggle in 2021, leading to a modest improvement in annual caterer revenues of $3.8 billion: still 39.2% below 2019 levels.

The impact of the Omicron variant will lead to sharply lower revenues across many sub-segments in Q1 2022. Even with an anticipated decline in COVID-19 cases, it will take some time for caterer revenues to regain their footing and for revenues to improve in education, health care, business dining and transportation. Even in Q4, caterer revenues are expected to remain 8% below pre-pandemic levels.

Despite these near-term setbacks, annual caterer revenues are forecast to advance to nearly $5 billion in 2022, a 29.3% increase over 2021.

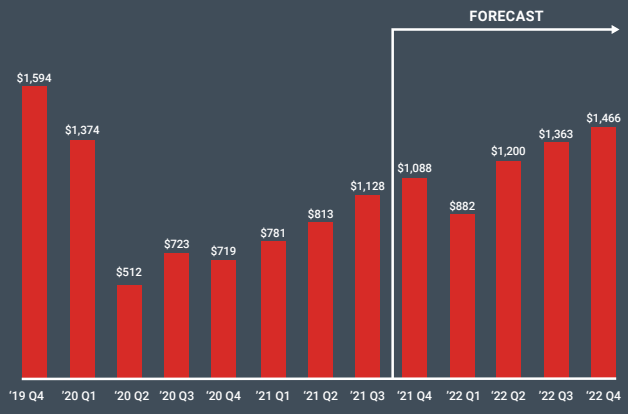
In 2023, caterers are forecast to improve sharply, with sales to $6.4 billion – 1.8% above 2019 levels. This will be supported by a continued recovery in foodservice revenues in education, business dining, remote camps and health care.

By 2026, caterer revenues are forecast to grow to $7.8 billion, a 24.4% increase over 2019 levels.

Caterers

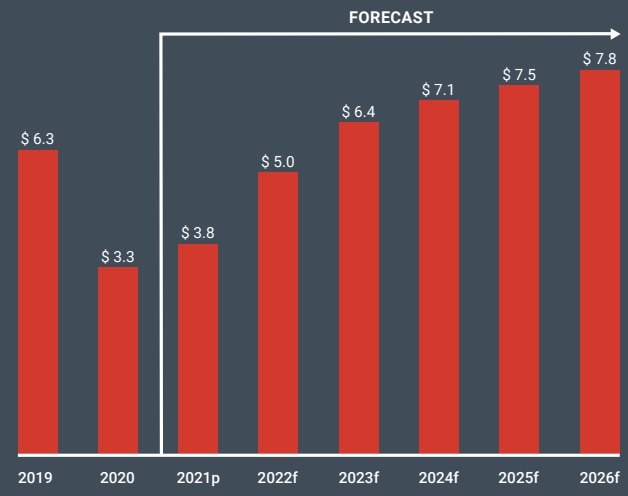
	Year-over-year nominal change in commercial foodservice sales	Annual change compared to 2019
2019	6.0%	--
2020	-47.8%	-47.8%
2021p	16.5%	-39.2%
2022f	29.3%	-21.4%
2023f	29.4%	1.8%
2024f	11.0%	13.0%
2025f	4.6%	18.1%
2026f	5.3%	24.4%

Quarterly Caterer Revenues - Canada
(seasonally adjusted, in millions of dollars)



Source: Statistics Canada and Restaurants Canada

Caterer Revenues
(in billions)



Source: Statistics Canada and Restaurants Canada

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Drinking Places

Similar to full-service restaurants, drinking places have experienced a very uneven recovery since the start of the pandemic. The impact of on-premise dining closures and restrictions is forecast to reduce drinking place sales by a staggering 50% in Q1 2022 compared to Q1 2019. This marks the largest quarterly decline in sales since Q2 2021.

The decline in Q1 2022 follows a projected 32% decline in sales in Q4 2021, when the closure of patios and rising cases of COVID-19 resulted in a drop in household spending at licensed establishments. The impact from Omicron is expected to be brief, but rebuilding consumer confidence will delay the recovery in drinking place sales. In Q2 2022, sales at drinking places are forecast to remain 22% below 2019 levels. On a positive note, the reopening of patios and pent-up consumer demand is forecast to boost drinking place sales to their highest levels since the beginning of the pandemic, with $643.4 million in sales in Q3 2022. Overall, annual drinking place sales are forecast to expand to $2 billion in 2022 – a 34.2% increase over 2021.

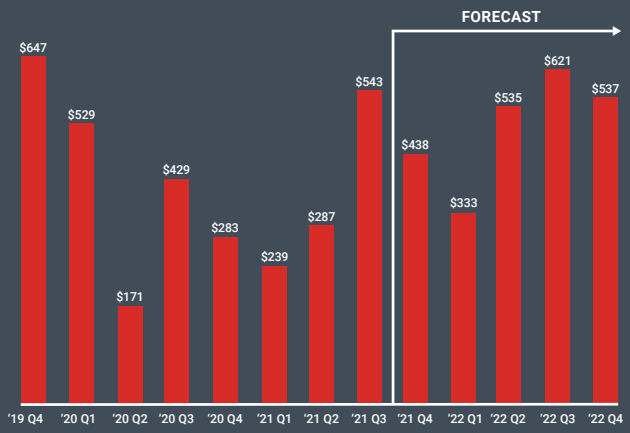
Looking ahead, pent-up consumer demand and accumulated household savings are expected to boost drinking place sales to $2.6 billion in 2023, which will be just 2.6% below 2019 levels. In 2024, sales are forecast to return to pre-pandemic levels for the first time.

Over the long term, however, unit closures, changing drinking patterns and an aging population are expected to restrain sales at drinking places. As a result, drinking places are only expected to increase to $2.8 billion in annual sales – just 4.8% above 2019 levels. In contrast, full-service restaurants are forecast to advance by nearly 27% above 2019 levels by that point.

Drinking Places

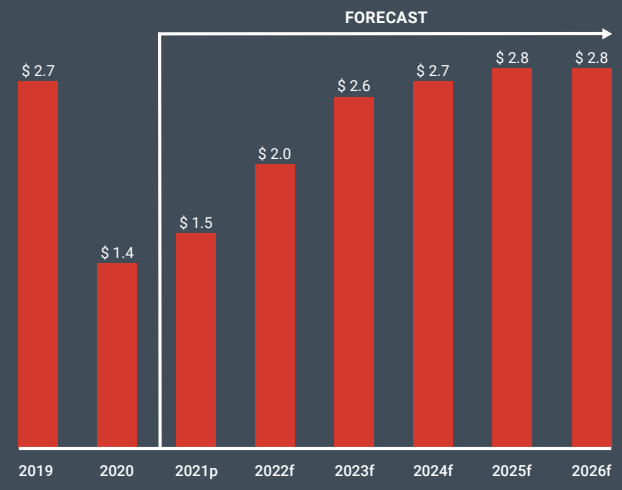
	Year-over-year nominal change in commercial foodservice sales	Annual change compared to 2019
2019	-3.1%	--
2020	-48.0%	-48.0%
2021p	8.7%	-43.4%
2022f	34.2%	-24.1%
2023f	28.4%	-2.6%
2024f	4.1%	1.4%
2025f	1.6%	3.1%
2026f	1.7%	4.8%

Quarterly Drinking Place Sales - Canada
(seasonally adjusted, in millions of dollars)



Source: Statistics Canada and Restaurants Canada

Drinking Place Sales
(in billions)



Source: Statistics Canada and Restaurants Canada

Newfoundland & Labrador

In April 2021, Newfoundland and Labrador became the first province where seasonally adjusted monthly commercial foodservice sales returned to pre-pandemic levels. In September 2021, Newfoundland and Labrador led the country with foodservice sales 12.4% above February 2020 levels.

Although the Omicron variant will restrain sales in the first quarter of 2022, a steady improvement in economic conditions and tourism is forecast to boost annual foodservice sales up to $849.2 million in 2022.

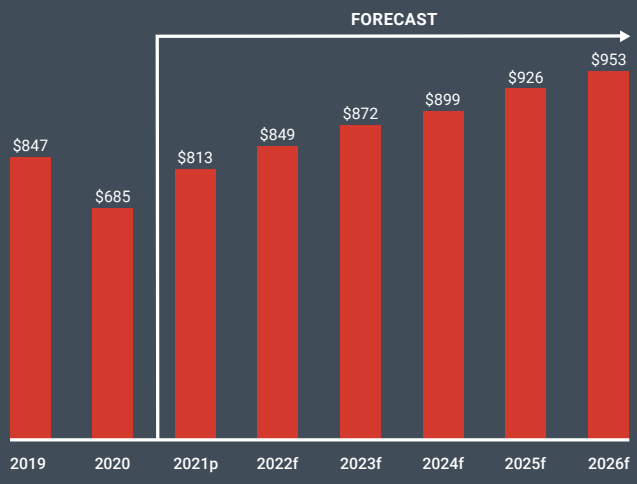
In the five years prior to the pandemic, Newfoundland and Labrador lagged behind the rest of the country with the slowest growth in economic activity and retail sales. As a result, annual foodservice sales grew by an average of just 1.3% between 2015 and 2019, compared to the national average of 5.3%.

Over the long term, commercial foodservice spending in Newfoundland and Labrador will be restrained by a projected population decline, from 520,600 in 2021 to 511,300 by 2026, due to an aging populace and interprovincial outflows.

Newfoundland & Labrador

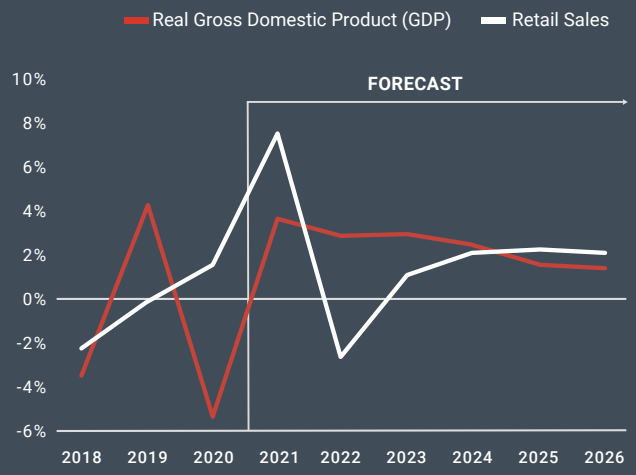
	Year-over-year nominal change in commercial foodservice sales	Annual change compared to 2019
2019	1.6%	--
2020	-19.1%	-19.1%
2021p	18.7%	-4.0%
2022f	4.5%	0.3%
2023f	3.5%	3.0%
2024f	3.1%	6.2%
2025f	3.0%	9.4%
2026f	2.9%	12.5%

Commercial Foodservice Sales - Newfoundland & Labrador (in millions)



Source: Statistics Canada and Restaurants Canada

Newfoundland & Labrador
(year-over-year change)



Source: Statistics Canada and Conference Board of Canada

Prince Edward Island

Prior to the pandemic, Prince Edward Island boasted the fastest-growing foodservice industry in the country, with average annual sales growth of 7.4% between 2015 and 2019, the result of a growing population and robust consumer spending. While the pandemic led to lower commercial foodservice sales in 2020, the decline was held to -20.4% compared to the national average of -28.4%.

In August 2021, PEI's seasonally adjusted foodservice sales returned to pre-pandemic levels for the first time. In September 2021, sales rose 3.6% above February 2020 levels. Overall, annual foodservice sales are projected to grow in 2021 by 26.6% to $315.5 million, 0.7% above 2019 levels. Leading the recovery are quick-service restaurants, where sales in the third quarter of 2021 were a solid 11% above the third quarter of 2019.

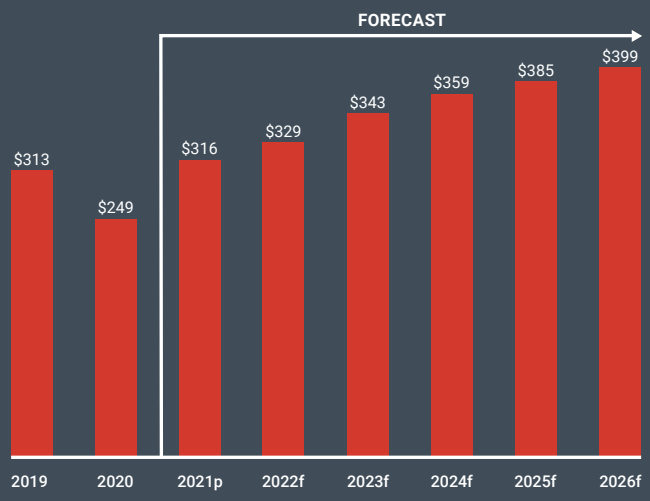
While the impact of the Omicron variant will lead to a short-term drop in sales, a rebound in sales at full-service restaurants, caterers and drinking places is forecast to boost annual foodservice sales on Prince Edward Island by an additional 4.2%, up to $328.7 million in 2022.

Over the long term, Prince Edward Island will experience the strongest foodservice sales growth due to above-average population growth, a rebound in tourism and the second-fastest growth in total provincial retail sales.

Prince Edward Island

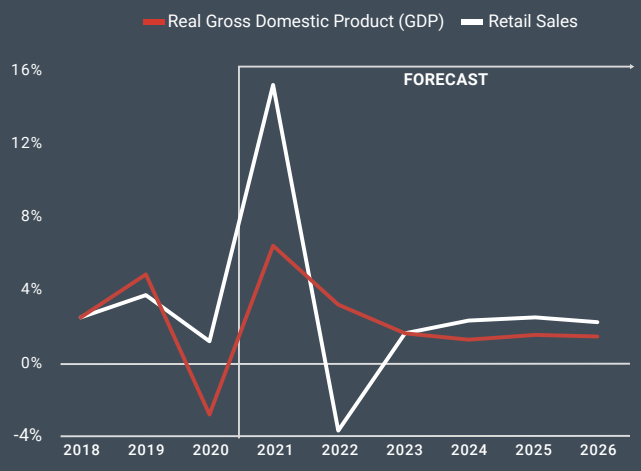
	Year-over-year nominal change in commercial foodservice sales	Annual change compared to 2019
2019	8.9%	--
2020	-20.4%	-20.4%
2021p	26.6%	0.7%
2022f	4.2%	4.9%
2023f	4.3%	9.5%
2024f	4.6%	14.5%
2025f	7.4%	22.9%
2026f	3.6%	27.4%

Commercial Foodservice Sales - Prince Edward Island
(in millions)



Source: Statistics Canada and Restaurants Canada

Prince Edward Island
(year-over-year change)



Source: Statistics Canada and Conference Board of Canada

Nova Scotia

Nova Scotia was the hardest-hit province in Atlantic Canada in the initial months of the pandemic. On a seasonally adjusted basis, foodservice sales plummeted by 59% between February 2020 and April 2020. This also marked their lowest monthly foodservice sales in more than two decades.

The past 20 months have resulted in an uneven recovery for the province. Border closures and on-premise dining restrictions resulted in a 33% drop in commercial foodservice sales in May 2021 versus February 2020. The reopening of borders and dining rooms helped foodservice sales in Nova Scotia return to pre-pandemic levels in August 2021.

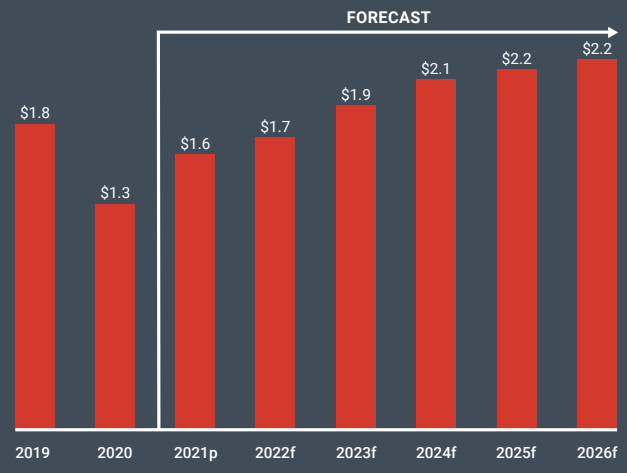
Unfortunately, the rise in the Omicron variant will result in lower foodservice sales in the first quarter of 2022. As case counts decline, foodservice sales will improve over the remainder of the year. As a result, annual commercial foodservice sales in 2022 are forecast to grow by 6.5%, up to $1.7 billion. In 2023, foodservice sales are forecast to improve to $1.9 billion, due to pent -up consumer spending and a bounce back in tourism.

Over the long term, commercial foodservice sales in Nova Scotia are forecast to grow to more than $2.2 billion by 2026, a 26.6% increase over 2019 levels. While Nova Scotia will experience sluggish economic and population growth during that time, strong household spending and tourism will drive foodservice sales at restaurants, caterers and drinking places.

Nova Scotia

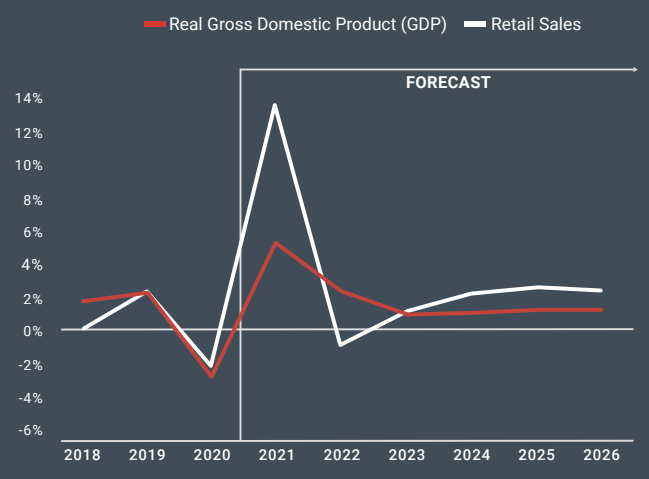
	Year-over-year nominal change in commercial foodservice sales	Annual change compared to 2019
2019	3.2%	--
2020	-23.7%	-23.7%
2021p	21.0%	-7.6%
2022f	6.5%	-1.6%
2023f	11.1%	9.3%
2024f	8.5%	18.6%
2025f	3.1%	22.2%
2026f	3.6%	26.6%

Commercial Foodservice Sales - Nova Scotia
(in billions)



Source: Statistics Canada and Restaurants Canada

Nova Scotia
(year-over-year change)



Source: Statistics Canada and Conference Board of Canada

New Brunswick

With fewer cases of COVID-19 throughout 2020, New Brunswick's foodservice industry was able to weather the crisis better than most provinces. As a result, commercial foodservice sales in New Brunswick fell by only 18.8% in 2020 compared to 2019. In contrast, foodservice sales in Canada tumbled by 28.4%.

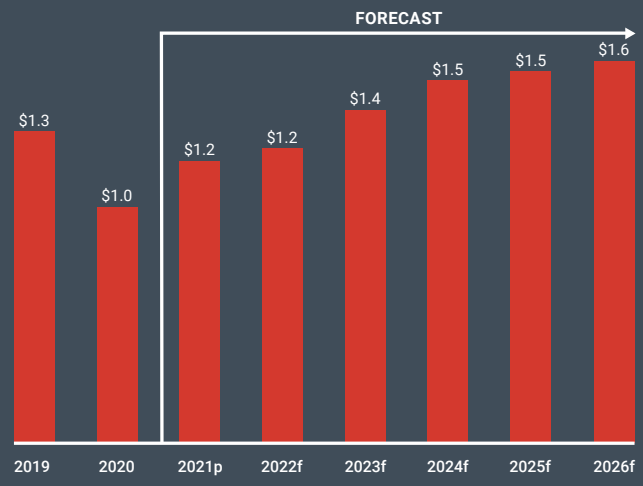
Following a steady improvement in foodservice sales throughout most of 2021, the Omicron variant will lead to lower sales for New Brunswick in early 2022. This will restrain annual commercial foodservice sales to $1.2 billion, a modest 5.1% increase over 2021. In 2023, a rebound in household spending and increase in tourism will lift foodservice sales by an additional 9.3%, up to more than $1.3 billion.

Due to below-average growth in population and economic activity, New Brunswick's foodservice industry will underperform against the national average over the next five years. By 2026, commercial foodservice sales are expected to rise to nearly $1.6 billion. While this represents an increase of 23.3% over 2019, it falls short of the national average of 26.6%.

New Brunswick

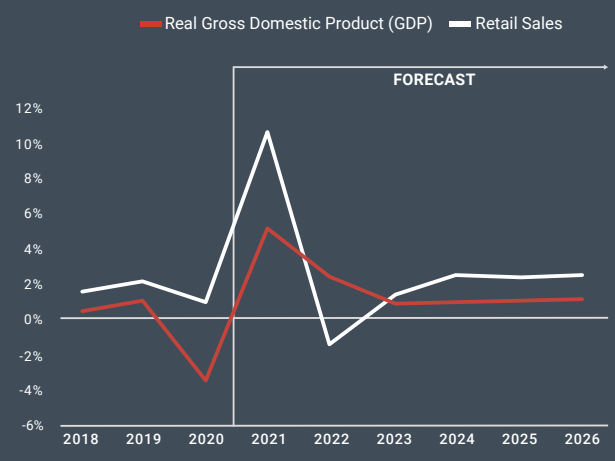
	Year-over-year nominal change in commercial foodservice sales	Annual change compared to 2019
2019	2.7%	--
2020	-18.8%	-18.8%
2021p	14.4%	-7.2%
2022f	5.1%	-2.4%
2023f	9.3%	6.7%
2024f	7.7%	14.9%
2025f	3.9%	19.4%
2026f	3.3%	23.3%

Commercial Foodservice Sales - New Brunswick
(in billions)



Source: Statistics Canada and Restaurants Canada

New Brunswick
(year-over-year change)



Source: Statistics Canada and Conference Board of Canada

Quebec

Through most of the pandemic, Quebec and Ontario were the two hardest hit provinces, especially when it came to number of COVID-19 cases and the lengthy closures and restrictions. In 2021, foodservice sales are projected to grow by a modest 20.7% to $12.3 billion, 17.5% below pre-pandemic levels.

The steady improvement in foodservice sales in the second half of 2021 has given way to on-premise dining closures and curfews at the end of 2021 and into early 2022 due to a surge in COVID-19. As a result, sharply lower sales at full-service restaurants and drinking places during the lockdown is forecast to restrain annual foodservice sales to $14 billion in 2022.

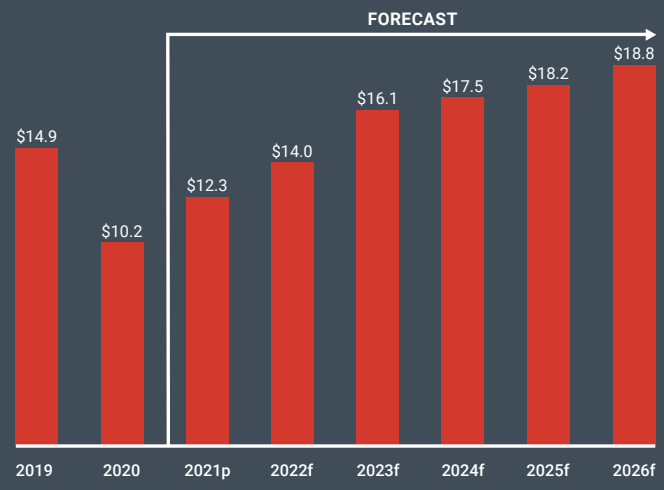
Pent-up consumer demand and an increase in the number of tourists is forecast to boost foodservice sales in Quebec to a record $16 billion in 2023. This would represent an 8.0% increase above 2019 levels. Growth will be led by a rebound in spending at full-service restaurants and drinking places.

By 2026, foodservice sales in Quebec are forecast to grow to $18.7 billion, a 26.2% increase over 2019 levels. One of the major factors restraining foodservice sales compared to the national average will be the province's below-average population growth. Quebec's population is forecast to grow by a modest 4%, from 8,443,200 in 2019 to 8,784,500 in 2026.

Quebec

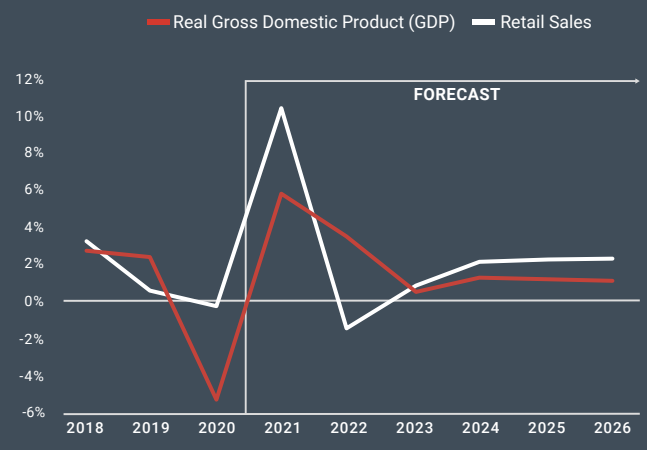
	Year-over-year nominal change in commercial foodservice sales	Annual change compared to 2019
2019	6.6%	--
2020	-31.6%	-31.6%
2021p	20.7%	-17.5%
2022f	13.7%	-6.2%
2023f	15.1%	8.0%
2024f	8.8%	17.5%
2025f	4.2%	22.4%
2026f	3.1%	26.2%

Commercial Foodservice Sales - Quebec
(in billions)



Source: Statistics Canada and Restaurants Canada

Quebec
(year-over-year change)



Source: Statistics Canada and Conference Board of Canada

Ontario

In 2020, Ontario reported the largest decline in foodservice sales, tumbling by 31.7% down to $20.9 billion. This represents a nearly $10 billion loss compared to 2019. Due to the weak first half of the year and a rise in the Omicron variant in December 2021, annual foodservice sales in Ontario are forecast to be $24.6 billion in 2021, 19.5% below 2019 levels.

With the sharp rise in the Omicron variant, on-premise dining restrictions in early 2022 will lead to significantly lower sales for full-service restaurants and drinking places in Ontario. Even as restrictions are removed, it will take time for consumer confidence to adjust. Nevertheless, pent-up consumer demand and the opening of patios will lead to a strong rebound in sales in the second half of 2022. As a result, annual foodservice sales are forecast to grow to $28.5 billion in 2022.

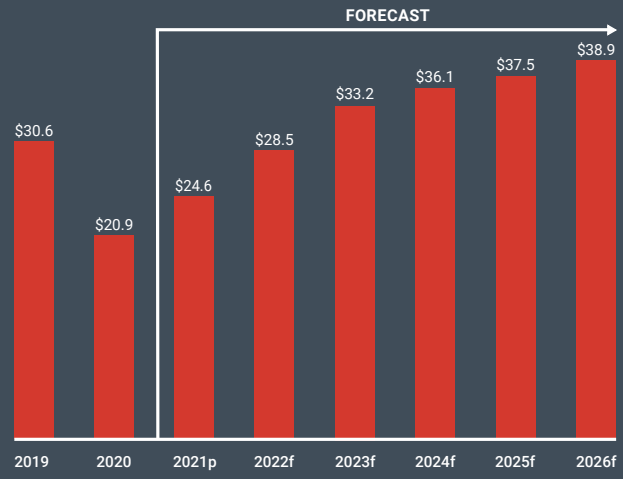
As Canadians return to their workplaces and tourism and business dining spending rebounds, Ontario's foodservice industry is forecast to jump to $33.2 billion in annual sales in 2023 – 8.5% above 2019 levels.

Over the long term, commercial foodservice sales in Ontario are forecast to grow to nearly $39 billion thanks to solid economic activity, strong consumer spending and a growing population. In fact, Ontario is forecast to see above-average population growth of 8.5% between 2019 and 2026.

Ontario

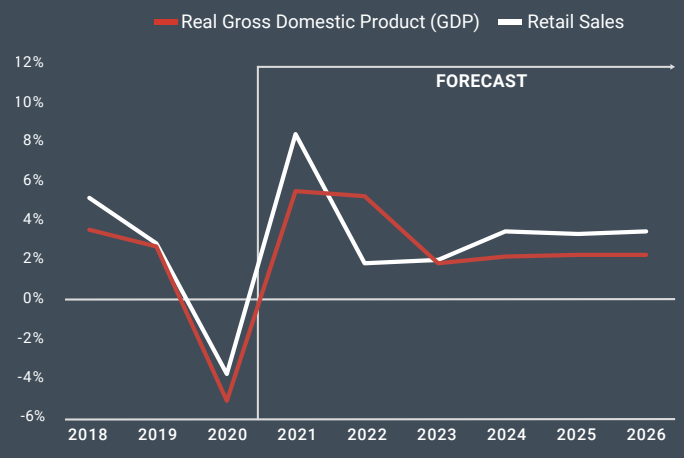
	Year-over-year nominal change in commercial foodservice sales	Annual change compared to 2019
2019	4.2%	--
2020	-31.7%	-31.7%
2021p	17.8%	-19.5%
2022f	15.7%	-6.9%
2023f	16.6%	8.5%
2024f	8.9%	18.1%
2025f	3.9%	22.8%
2026f	3.6%	27.2%

Commercial Foodservice Sales - Ontario
(in billions)



Source: Statistics Canada and Restaurants Canada

Ontario
(year-over-year change)



Source: Statistics Canada and Conference Board of Canada

Manitoba

Annual commercial foodservice sales in Manitoba are forecast to reach nearly $2 billion in 2021, up from $1.7 billion in 2020, but still 10% below the $2.2 billion levels posted in 2019. Manitoba's commercial foodservice industry had a challenging first half of 2021 as a rise in cases resulted in a 20% drop in foodservice sales compared to the same period in 2019.

In 2022, a sharp increase in COVID-19 cases will lead to lower sales at restaurants and drinking places. Despite anticipated stronger sales in the second half of 2022, annual foodservice sales in Manitoba are forecast to increase by a modest 8.7% to just over $2.1 billion.

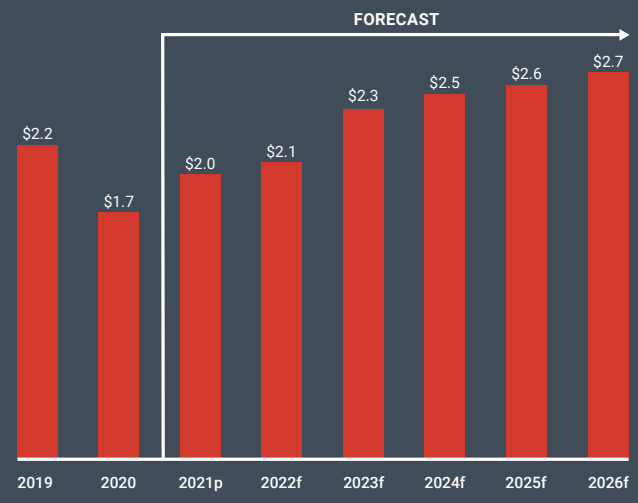
In 2023, a continued recovery in spending at full-service restaurants, caterers and drinking places are forecast to boost commercial foodservice sales to more than $2.3 billion, 6.7% above 2019 levels.

By 2026, foodservice sales in Manitoba are forecast to grow to nearly $2.7 billion, representing a 22.8% increase over 2019. Growth in foodservice sales is in line with the Conference Board of Canada's forecast, which calls for total retail sales growth of 20% between 2019 and 2026.

Manitoba

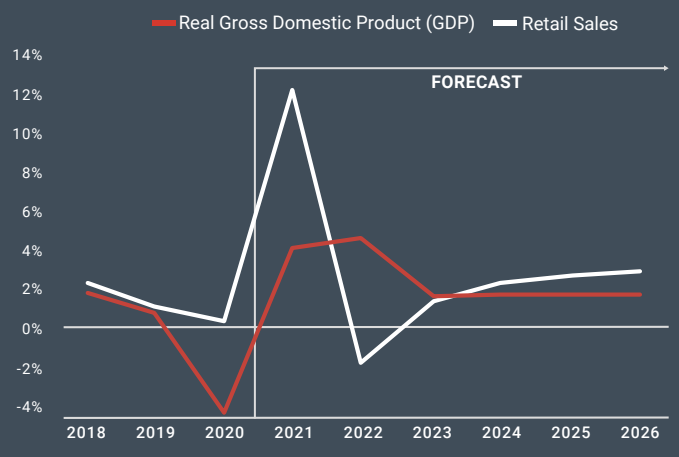
	Year-over-year nominal change in commercial foodservice sales	Annual change compared to 2019
2019	3.3%	--
2020	-21.7%	-21.7%
2021p	14.6%	-10.3%
2022f	8.7%	-2.5%
2023f	9.5%	6.7%
2024f	8.2%	15.5%
2025f	2.7%	18.6%
2026f	3.5%	22.8%

Commercial Foodservice Sales - Manitoba
(in billions)



Source: Statistics Canada and Restaurants Canada

Manitoba
(year-over-year change)



Source: Statistics Canada and Conference Board of Canada

Saskatchewan

In June 2021, Saskatchewan's foodservice industry became the second province to return to pre-pandemic levels. Despite a significant spike in cases in August and September, seasonally adjusted foodservice sales during those months were still nearly 5% higher than they were in February 2020. As a result, total foodservice sales are projected to grow to nearly $1.9 billion in 2021, an 18.3% increase over 2020.

With Saskatchewan's foodservice already nearing a full recovery in 2021, sales growth in 2022 will not be as strong as other provinces. The impact of the Omicron variant will lead to lower spending at restaurants in drinking places in the first quarter of 2022, but demand is expected to pick-up over the remainder of the year. As a result, annual foodservice sales are expected to return to pre-pandemic levels of just over $1.9 billion.

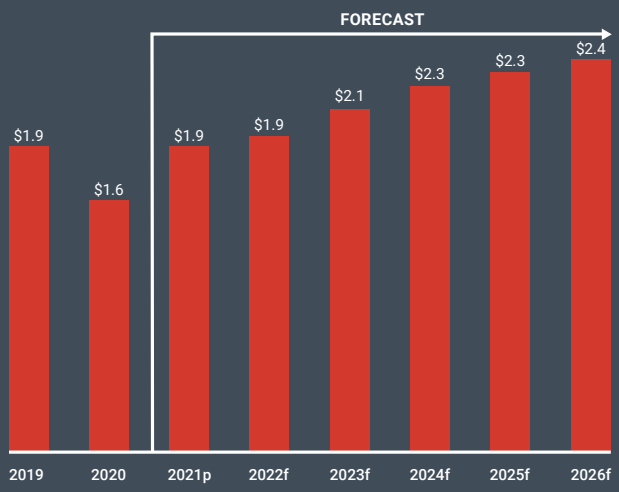
In 2023, pent-up consumer demand will help Saskatchewan's foodservice industry surpass the $2-billion mark for the very first time, a 7.6% increase over 2019.

In the long term, Saskatchewan's foodservice industry is expected to surpass $2.4 billion in annual sales by 2026. This represents a solid 24.2% increase over 2019. In fact, pent-up consumer spending at restaurants will help the foodservice industry outpace total retail spending growth (+17%) between 2019 and 2026.

Saskatchewan

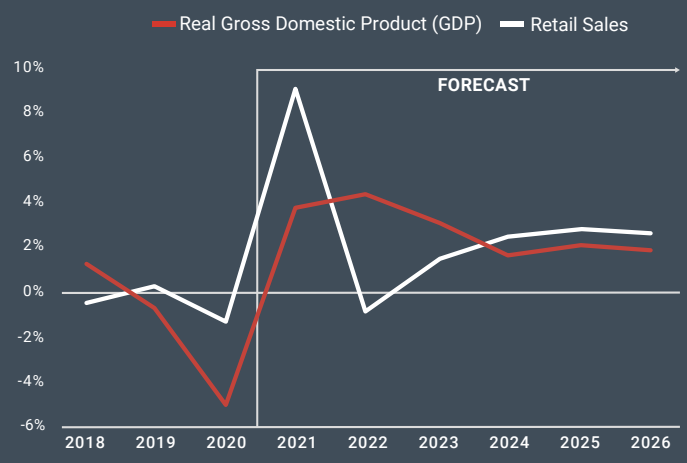
	Year-over-year nominal change in commercial foodservice sales	Annual change compared to 2019
2019	0.1%	--
2020	-18.0%	-18.0%
2021p	18.3%	-2.9%
2022f	2.9%	-0.1%
2023f	7.7%	7.6%
2024f	8.4%	16.6%
2025f	2.8%	19.9%
2026f	3.5%	24.2%

Commercial Foodservice Sales - Saskatchewan
(in billions)



Source: Statistics Canada and Restaurants Canada

Saskatchewan
(year-over-year change)



Source: Statistics Canada and Conference Board of Canada

Alberta

Alberta suffered through difficult third and fourth waves in 2021, which held back the recovery in foodservice sales. As a result, Alberta's foodservice industry is projected to grow to $8.4 billion in 2021. This is still nearly 15% below 2019, when sales were just over $9.9 billion.

The combination of pent-up consumer demand and rising tourism will help boost foodservice sales over the course of 2022. Nevertheless, the Omicron variant will lead to a short-term drop in foodservice spending, which will restrain annual foodservice sales in Alberta to $9.4 billion.

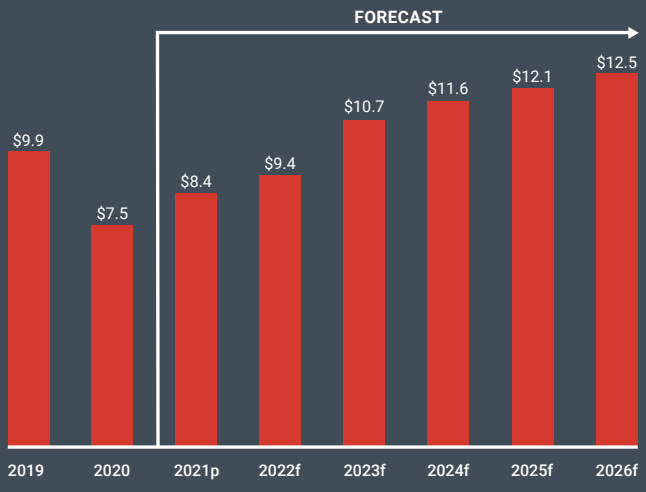
A much stronger rebound at full-service restaurants, caterers and drinking places will boost commercial foodservice sales in Alberta to a record $10.7 billion in 2023. This will be the first time Alberta surpasses the $10 billion mark in annual sales, and represents an 8.0% increase over 2019 levels.

In the long term, solid economic growth and growing population will help boost foodservice sales to $12.5 billion by 2026, 26.5% above 2019 levels.

Alberta

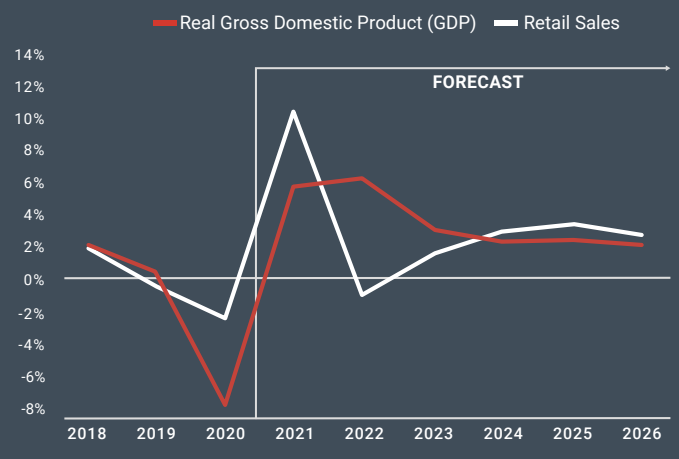
	Year-over-year nominal change in commercial foodservice sales	Annual change compared to 2019
2019	3.0%	--
2020	-24.6%	-24.6%
2021p	12.9%	-14.9%
2022f	11.2%	-5.3%
2023f	14.0%	8.0%
2024f	8.5%	17.2%
2025f	4.2%	22.1%
2026f	3.6%	26.5%

Commercial Foodservice Sales - Alberta
(in billions)



Source: Statistics Canada and Restaurants Canada

Alberta
(year-over-year change)



Source: Statistics Canada and Conference Board of Canada

British Columbia

British Columbia was among the hardest hit provinces in the early days of the pandemic. While British Columbia's foodservice industry reported a sharp improvement in sales during the summer of 2021, natural disasters and inclement weather dampened the recovery towards the end of the year. Nevertheless, annual foodservice sales increased by a solid 20.5% to $11.8 billion.

A sharp rise in the number of COVID-19 cases in the province will restrain foodservice sales in the early part of 2022, but an expected rebound in consumer spending is forecast to boost annual sales in 2022 to $12.9 billion, just 2.1% below 2019 levels.

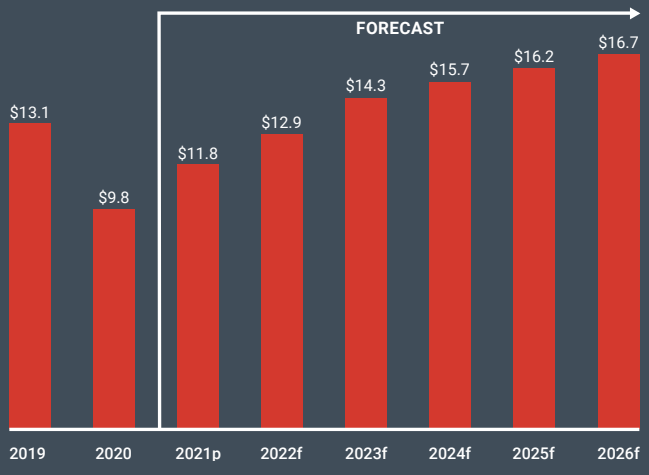
A continued recovery in consumer spending, a strong economy and increased tourism is expected to boost foodservice sales to a record $14.3 billion in 2023. This will bring annual sales to 9.0% above 2019 levels.

The Conference Board of Canada expects British Columbia to lead the country in retail sales growth (+24%) between 2019 and 2026, thanks in part to accumulated savings and a growing population. As a result, British Columbia's foodservice industry is forecast to have fairly brisk growth over the long term, rising to $16.7 billion by 2026. This would represent at 27.0% increase over 2019 levels: among the fastest-growth in the country during this time frame.

British Columbia

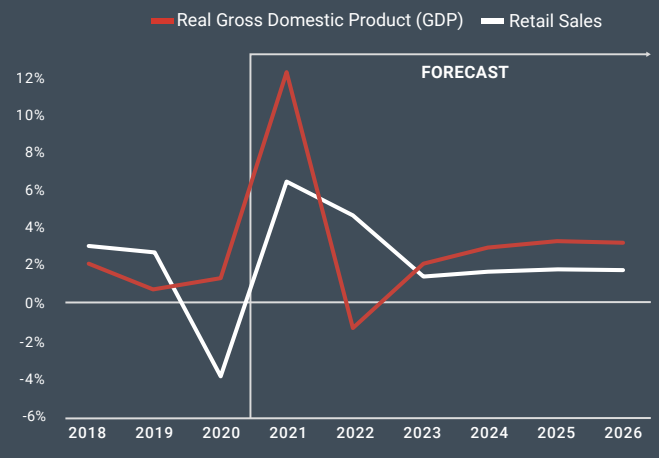
	Year-over-year nominal change in commercial foodservice sales	Annual change compared to 2019
2019	4.8%	--
2020	-25.4%	-25.4%
2021p	20.5%	-10.0%
2022f	8.8%	-2.1%
2023f	11.4%	9.0%
2024f	9.5%	19.4%
2025f	3.2%	23.2%
2026f	3.1%	27.0%

Commercial Foodservice Sales - British Columbia
(in billions)



Source: Statistics Canada and Restaurants Canada

British Columbia
(year-over-year change)



Source: Statistics Canada and Conference Board of Canada

FORECAST TABLES

Commercial Foodservice Sales Canada

MILLIONS OF DOLLARS

	2019	2020	2021p	2022f	2023f	2024f	2025f	2026f	Average
Quick-service Restaurants % change	$33,734.8 4.4%	$28,902.4 -14.3%	$33,419.5 15.6%	$34,999.4 4.7%	$37,529.5 7.2%	$40,288.2 7.4%	$41,857.7 3.9%	$43,316.6 3.5%	5.3%
Full-service Restaurants	$34,289.7 4.8%	$21,524.7 -37.2%	$26,324.5 22.3%	$31,171.0 18.4%	$36,768.9 18.0%	$40,446.1 10.0%	$42,003.8 3.9%	$43,515.3 3.6%	10.8%
Caterers	$6,306.9 6.0%	$3,291.7 -47.8%	$3,836.2 16.5%	$4,959.5 29.3%	$6,418.0 29.4%	$7,124.0 11.0%	$7,450.7 4.6%	$7,848.8 5.3%	15.9%
Drinking Places	$2,694.3 -3.1%	$1,401.0 -48.0%	$1,523.6 8.7%	$2,044.4 34.2%	$2,624.2 28.4%	$2,731.9 4.1%	$2,776.8 1.6%	$2,822.9 1.7%	14.0%
Total Sales	$77,025.7 4.4%	$55,119.8 -28.4%	$65,103.8 18.1%	$73,174.3 12.4%	$83,340.5 13.9%	$90,590.2 8.7%	$94,089.0 3.9%	$97,503.6 3.6%	8.5%
CPI-FAFH	1.565 2.7%	1.599 2.2%	1.652 3.3%	1.738 5.2%	1.787 2.8%	1.833 2.6%	1.873 2.2%	1.916 2.3%	3.0%
Real Sales (in 2002$)	$49,207.2 1.7%	$34,466.1 -30.0%	$39,408.5 14.3%	$42,104.3 6.8%	$46,647.8 10.8%	$49,420.6 5.9%	$50,224.4 1.6%	$50,877.0 1.3%	5.3%
Real Per Capita Foodservice Sales (in 2020 $)	$2,162	$1,498	$1,705	$1,798	$1,971	$2,067	$2,079	$2,085	$2,000

Source: Restaurants Canada, Statistics Canada and Conference Board of Canada
p - preliminary; f - forecast

Commercial Foodservice Sales Canada

GROWTH RELATIVE TO 2019

	2020	2021f	2022f	2023f	2024f	2025f	2026f
Quick-service Restaurants % change	-14.3%	-0.9%	3.7%	11.2%	19.4%	24.1%	28.4%
Full-service Restaurants	-37.2%	-23.2%	-9.1%	7.2%	18.0%	22.5%	26.9%
Caterers	-47.8%	-39.2%	-21.4%	1.8%	13.0%	18.1%	24.4%
Drinking Places	-48.0%	-43.4%	-24.1%	-2.6%	1.4%	3.1%	4.8%
Total Sales	-28.4%	-15.5%	-5.0%	8.2%	17.6%	22.2%	26.6%

Source: Restaurants Canada, Statistics Canada and Conference Board of Canada

p - preliminary; f - forecast

Commercial Foodservice Sales Forecast

(SALES IN MILLIONS OF DOLLARS)

	2019.1	2019.2	2019.3	2019.4	2020.1	2020.2	2020.3	2020.4	2021.1	2021.2	2021.3	2021.4	2022.1	2022.2	2022.3	2022.4
Quick-service Restaurants	$7,487.0	$8,655.5	$9,054.6	$8,537.8	$6,996.3	$6,227.3	$8,118.9	$7,559.9	$6,961.0	$8,389.2	$9,331.3	$8,738.0	$7,424.3	$8,922.6	$9,542.5	$9,110.0
year-over-year change	4.6%	4.9%	4.0%	4.2%	-6.6%	-28.1%	-10.3%	-11.5%	-0.5%	34.7%	14.9%	15.6%	6.7%	6.4%	2.3%	4.3%
change in sales relative to 2019									-7%	-3%	3%	2%	-1%	3%	5%	7%
Full-service Restaurants	$7,586.2	$8,718.9	$9,325.1	$8,659.5	$6,531.5	$3,241.3	$6,733.4	$5,018.5	$4,512.8	$5,220.2	$8,919.4	$7,672.1	$5,174.4	$8,021.4	$9,558.2	$8,417.0
year-over-year change	5.3%	5.3%	4.3%	4.5%	-13.9%	-62.8%	-27.8%	-42.0%	-30.9%	61.1%	32.5%	52.9%	14.7%	53.7%	7.2%	9.7%
change in sales relative to 2019									-41%	-40%	-4%	-11%	-32%	-8%	3%	-3%
Caterers	$1,394.1	$1,577.8	$1,600.3	$1,734.8	$1,288.0	$510.7	$710.8	$782.3	$732.0	$810.6	$1,109.5	$1,184.2	$826.5	$1,196.0	$1,341.0	$1,596.0
year-over-year change	5.9%	6.1%	6.0%	6.1%	-7.6%	-67.6%	-55.6%	-54.9%	-43.2%	58.7%	56.1%	51.4%	12.9%	47.5%	20.9%	34.8%
change in sales relative to 2019									-47%	-49%	-31%	-32%	-41%	-24%	-16%	-8%
Drinking Places	$623.5	$695.2	$714.9	$660.7	$493.6	$173.3	$444.8	$289.4	$222.6	$291.5	$562.0	$447.5	$310.4	$542.2	$643.4	$548.4
year-over-year change	-1.0%	-1.7%	-4.3%	-5.2%	-20.8%	-75.1%	-37.8%	-56.2%	-54.9%	68.2%	26.4%	54.6%	39.4%	86.0%	14.5%	22.5%
change in sales relative to 2019									-64%	-58%	-21%	-32%	-50%	-22%	-10%	-17%
Total Sales	$17,090.8	$19,647.3	$20,694.8	$19,592.8	$15,309.4	$10,152.6	$16,007.8	$13,650.1	$12,428.4	$14,711.5	$19,922.1	$18,041.8	$13,735.5	$18,682.2	$21,085.2	$19,671.4
year-over-year change	4.8%	4.9%	4.0%	4.1%	-10.4%	-48.3%	-22.6%	-30.3%	-18.8%	44.9%	24.5%	32.2%	10.5%	27.0%	5.8%	9.0%
change in sales relative to 2019									-27%	-25%	-4%	-7.9%	-20%	-5%	2%	0%

Source: Restaurants Canada, Statistics Canada and Conference Board of Canada

NOTE: 1. Shaded areas represent forecast periods. All percentage changes are period-over-period.

Commercial Foodservice Sales by Province

MILLIONS OF DOLLARS

	2019	2020	2021p	2022f	2023f	2024f	2025f	2026f	Average
CANADA % change	$77,025.7 4.4%	$55,119.8 -28.4%	$65,103.8 18.1%	$73,174.3 12.4%	$83,340.5 13.9%	$90,590.2 8.7%	$94,089.0 3.9%	$97,503.6 3.6%	8.5%
Newfoundland & Labrador	$846.6 1.6%	$684.6 -19.1%	$812.9 18.7%	$849.2 4.5%	$871.8 3.5%	$898.9 3.1%	$925.8 3.0%	$952.7 2.9%	3.4%
P.E.I.	$313.3 8.9%	$249.2 -20.4%	$315.5 26.6%	$328.7 4.2%	$342.9 4.3%	$358.6 4.6%	$385.0 7.4%	$399.0 3.6%	4.8%
Nova Scotia	$1,762.7 3.2%	$1,345.3 -23.7%	$1,628.0 21.0%	$1,734.4 6.5%	$1,926.7 11.1%	$2,090.0 8.5%	$2,153.8 3.1%	$2,232.2 3.6%	6.6%
New Brunswick	$1,274.9 2.7%	$1,034.8 -18.8%	$1,183.4 14.4%	$1,243.9 5.1%	$1,360.2 9.3%	$1,465.1 7.7%	$1,521.8 3.9%	$1,572.4 3.3%	5.9%
Atlantic Region	$4,197.5 3.1%	$3,313.9 -21.1%	$3,939.8 18.9%	$4,156.2 5.5%	$4,501.7 8.3%	$4,812.6 6.9%	$4,986.5 3.6%	$5,156.2 3.4%	5.5%
Quebec	$14,896.7 6.6%	$10,186.6 -31.6%	$12,294.0 20.7%	$13,979.5 13.7%	$16,091.3 15.1%	$17,504.6 8.8%	$18,235.4 4.2%	$18,798.9 3.1%	9.0%
Ontario	$30,576.2 4.2%	$20,891.0 -31.7%	$24,602.5 17.8%	$28,456.4 15.7%	$33,184.0 16.6%	$36,121.1 8.9%	$37,537.1 3.9%	$38,898.2 3.6%	9.7%
Manitoba	$2,183.3 3.3%	$1,709.0 -21.7%	$1,958.4 14.6%	$2,128.4 8.7%	$2,329.6 9.5%	$2,521.8 8.2%	$2,589.3 2.7%	$2,680.2 3.5%	6.5%
Saskatchewan	$1,939.1 0.1%	$1,590.9 -18.0%	$1,882.2 18.3%	$1,937.6 2.9%	$2,086.8 7.7%	$2,261.1 8.4%	$2,325.2 2.8%	$2,407.5 3.5%	5.1%
Alberta	$9,904.5 3.0%	$7,472.4 -24.6%	$8,432.8 12.9%	$9,380.5 11.2%	$10,695.0 14.0%	$11,605.6 8.5%	$12,089.8 4.2%	$12,527.4 3.6%	8.3%
British Columbia	$13,147.2 4.8%	$9,814.4 -25.4%	$11,829.1 20.5%	$12,867.1 8.8%	$14,329.4 11.4%	$15,695.4 9.5%	$16,195.0 3.2%	$16,699.4 3.1%	7.2%

Source: Restaurants Canada, Statistics Canada and Conference Board of Canada

Commercial Foodservice Sales by Province

GROWTH RELATIVE TO 2019

	2020	2021p	2022f	2023f	2024f	2025f	2026f
CANADA	-28.4%	-15.5%	-5.0%	8.2%	17.6%	22.2%	26.6%
Newfoundland & Labrador	-19.1%	-4.0%	0.3%	3.0%	6.2%	9.4%	12.5%
P.E.I	-20.4%	0.7%	4.9%	9.5%	14.5%	22.9%	27.4%
Nova Scotia	-23.7%	-7.6%	-1.6%	9.3%	18.6%	22.2%	26.6%
New Brunswick	-18.8%	-7.2%	-2.4%	6.7%	14.9%	19.4%	23.3%
Atlantic Region	-21.1%	-6.1%	-1.0%	7.2%	14.7%	18.8%	22.8%
Quebec	-31.6%	-17.5%	-6.2%	8.0%	17.5%	22.4%	26.2%
Ontario	-31.7%	-19.5%	-6.9%	8.5%	18.1%	22.8%	27.2%
Manitoba	-21.7%	-10.3%	-2.5%	6.7%	15.5%	18.6%	22.8%
Saskatchewan	-18.0%	-2.9%	-0.1%	7.6%	16.6%	19.9%	24.2%
Alberta	-24.6%	-14.9%	-5.3%	8.0%	17.2%	22.1%	26.5%
British Columbia	-25.4%	-10.0%	-2.1%	9.0%	19.4%	23.2%	27.0%

Source: Restaurants Canada, Statistics Canada and Conference Board of Canada

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