



Restaurant Outlook Survey

Q4 2021





Executive Summary

- Eight in 10 restaurant operators reported lower sales between October 2021 and the first half of December 2021 compared to the same period in 2019.
- While 25% of respondents reported a decline of 40% or more in the first half of December 2021 compared to December 2019, this share nearly doubled to 42% in the second half of December due to the Omicron variant.
- Eight in 10 respondents reported a significant number of cancellations of winter holiday parties and New Year's Eve celebrations. While 51% reported "a lot" of cancellations, another 30% had ALL their reservations cancelled.
- Roughly, one out of every three restaurant owners reported that 20% or more of their staff were unavailable to work for reasons related to COVID-19 in early January 2022.
- Eight in 10 foodservice operators are either operating at a loss (68%) or just breaking even (11%). This is up from nearly seven in 10 foodservice operators in Q3 2021.
- In order to cover the costs of higher wages, soaring cost of goods and takeout containers, along with COVID-related cleaning supplies, menu prices are expected to increase by an average of 5.3% over the next 12 months.
- By segment, menu prices in 2022 are expected to rise by 4.5% at quick-service restaurants, by 5.6% at table-service restaurants and by 5.5% for all other foodservice establishments.
- Nearly all respondents (96%) reported some disruption in the supply of food or other goods, with 29% experiencing a significant disruption in supply.
- In response to these supply disruptions, more than half of respondents (54%) are reducing the number of items on the menu. Nearly half (48%) said they are diversifying suppliers.
- Nearly half (49%) of quick-service restaurants and 40% of table-service restaurants expect that supply chain disruptions to their business will worsen over the next six months.

A chef in a white uniform and blue surgical mask is shown in profile on the left side of the page. The background is a blurred kitchen scene with warm lighting and stainless steel equipment. A red and grey geometric shape is at the bottom right.

Introduction

The November 2021 data from Statistics Canada showed a restaurant industry inching closer to recovery, at least when it comes to total sales volumes. After adjusting for seasonality, commercial foodservice sales rose in November 2021 to \$6.35 billion. This was the highest monthly sales since the start of the pandemic, and a mere 2.0% below February 2020 levels.

The results varied by segment of course, but all showed a sharp improvement over the course of 2021. In November, quick-service restaurants were 3.7% above pre-pandemic levels while table-service was just 1.8% below. Caterers and drinking places still have a long road ahead of them, with sales more than 20% below pre-pandemic levels.

In early December 2021, there was a growing sense of optimism in the industry and the momentum would carry over into 2022. The highly transmissible Omicron variant across the globe changed all that.

This edition of the Restaurant Outlook Survey looks at the impact of the Omicron variant on sales and the devastating decline in reservations in the weeks leading up to, and during, the winter holidays. To combat the spread of Omicron, government restrictions on indoor dining have been enacted in many parts of the country. As a result, eight in 10 foodservice operators are either operating at a loss or just breaking even.

Omicron also impacted foodservice employees. A significant number of respondents reporting an increase in staff absence as employees were isolating due to infection or possible exposure to the virus, or providing care to someone in their household.

This report also takes a look at how restaurants are managing through another challenge: supply disruptions. In this edition, we've asked experts from Farm Credit Canada and Garland Canada to weigh in with their views.

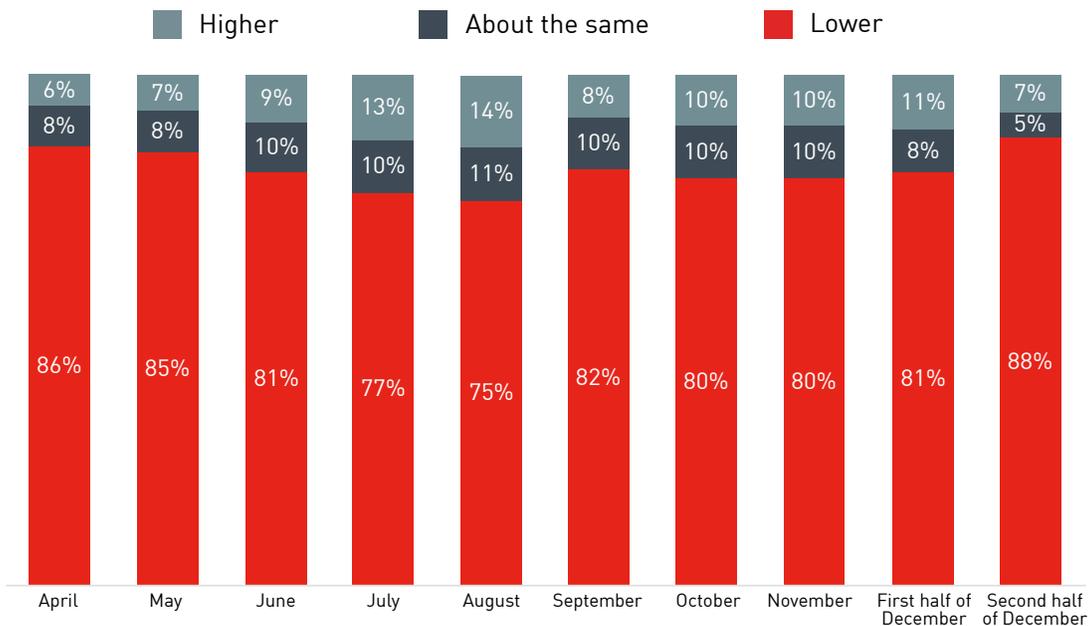
Omicron Interrupts Recovery in Sales

Like the Grinch that stole Christmas, the Omicron variant swooped in and devastated what was anticipated to be a solid improvement for restaurant industry sales during the final two weeks of December 2021.

Although eight in 10 restaurant operators still reported lower sales between October and the first half of December 2021 compared to the same period in 2019, there was a growing sense of optimism about the future. For some operators, the first two weeks of December began to feel like a return to normal, and that 2022 could only get better.

After all, restaurant operators were doing everything that governments had asked of them. They ensured guests were socially distancing and wearing masks, as well as checking that guests dining indoors were fully vaccinated, on top of all the new health and safety measures restaurant owners put in place to protect guests and staff.

Change in same-store sales in 2021 compared to 2019

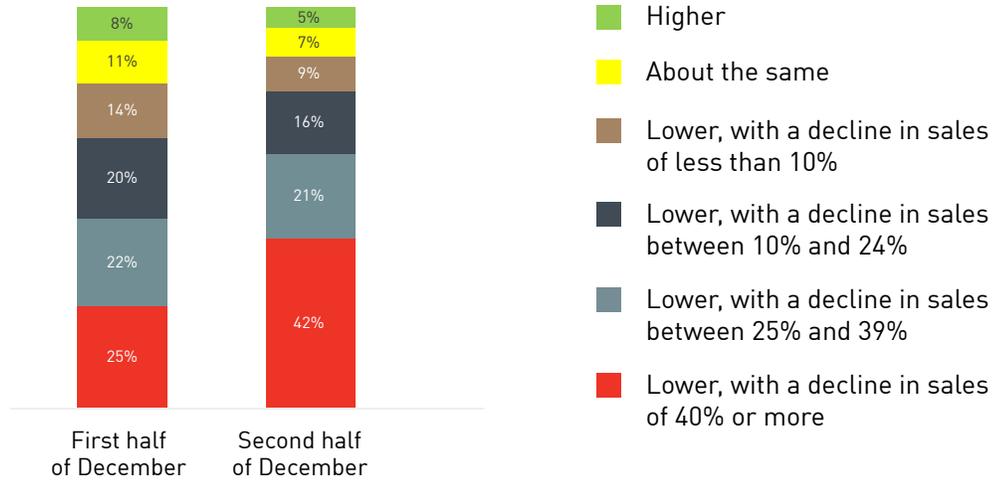


Q: For the following months, was your total sales volume, higher, lower, or about the same as it was compared to the same month in 2019?

The highly contagious Omicron variant abruptly changed all that. Sales plummeted in the second half of December as bookings were cancelled due to a sharp rise in cases and a decline in consumer confidence, even before on-premise dining restrictions were put in place. For many foodservice operators, Omicron could not have come at a worse time and felt like the hardest of all shutdowns.

While 25% of respondents reported a decline of 40% or more in the first half of December 2021 compared to December 2019, this share nearly doubled to 42% in the second half of December. Table-service restaurants and 'all other foodservice' – which includes accommodation, institutions, managed services providers and drinking places – were hit exceptionally hard, with almost half (46%) reporting a revenue decline of 40% or more. In comparison, 26% of quick-service restaurants saw a decline of 40% or more.

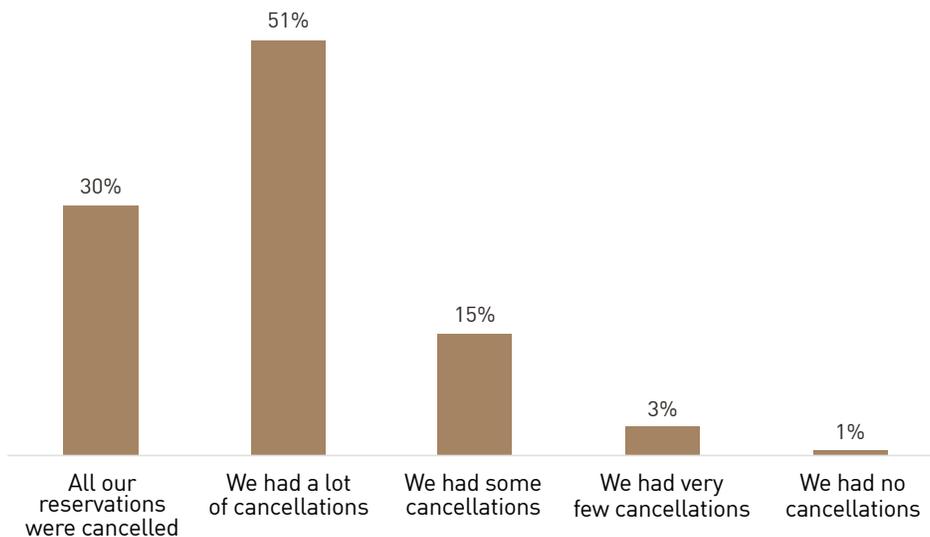
The share of operators reporting a 40% decline or more in same-store sales nearly doubled in the second half of December 2021



Q: For the following periods, was your total sales volume, higher, lower, or about the same as it was compared to the same month in 2019?

Of foodservice establishments that take reservations, eight in 10 respondents reported a significant number of cancellations of winter holiday parties and New Year’s Eve celebrations. While 51% reported “a lot” of cancellations, another 30% had ALL their reservations cancelled. Some of this was due to government restrictions on indoor dining, but some was due to guests fearing (or actually catching) COVID-19.

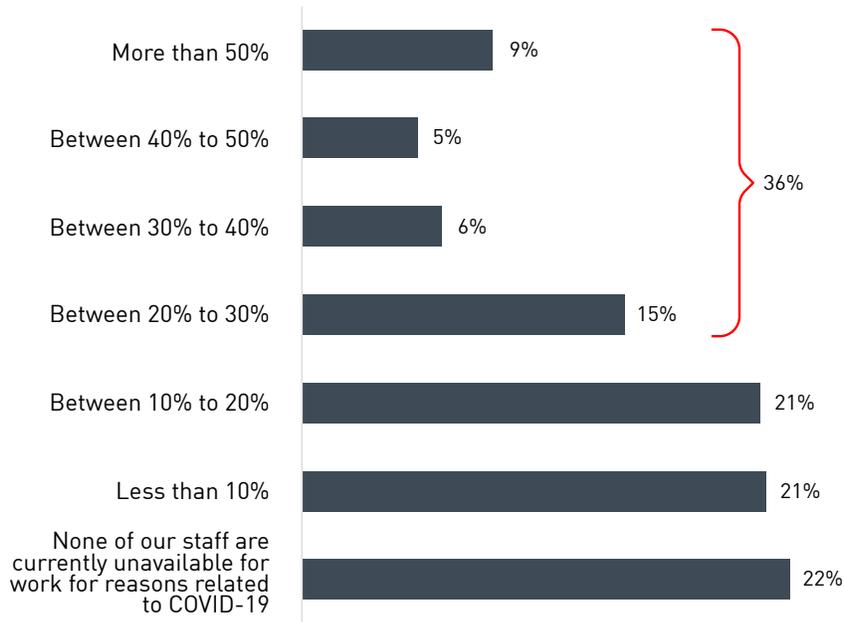
Eight in 10 respondents had a significant number of reservations cancelled for December holiday parties and New Year’s Eve celebrations



Q: How did the increase in COVID-19 cases impact your reservations for winter holiday parties and New Year’s Eve celebrations in December 2021?

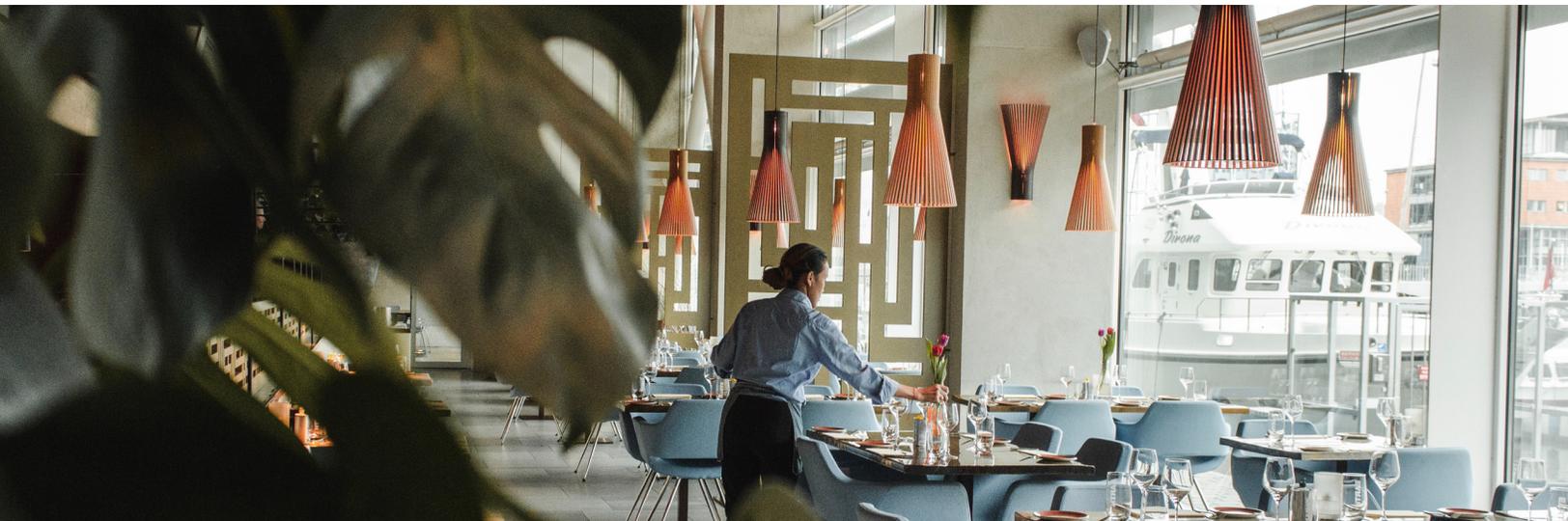
The Omicron variant not only devastated sales, but also led to an increase in employee absence. Since the Omicron variant is highly transmissible, many employees isolated due to infection or possible exposure, or to provide care to someone in their household. **Roughly, one out of every three restaurant owners reported that 20% or more of their staff were unavailable to work for reasons related to COVID-19 in early January 2022.** Only one in five respondents said they didn't experience any worker absence related to COVID-19.

Share of foodservice staff unavailable to work for reasons related to COVID-19 in early January 2022

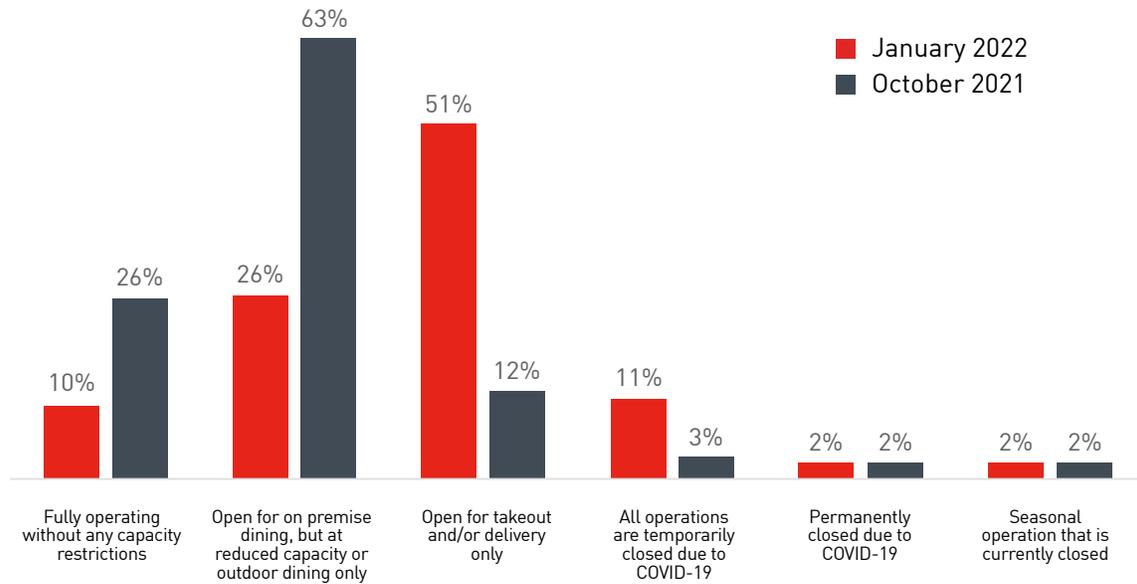


Q: Roughly what percentage of your staff are currently unavailable for work for reasons related to COVID-19? (Reasons may include isolating due to infection or possible exposure to the virus, providing care to someone in their household, etc.)

With cases soaring and hospitalizations skyrocketing, some provincial governments implemented on-premise dining restrictions to contain the virus. This forced many restaurants to either be open for takeout/delivery only (51% compared to 12% in October 2021) or temporarily close (climbing to 11% compared to 3% in October 2021). Only one in 10 respondents in said they were fully operating without any capacity restrictions, down sharply from 26% just three months earlier.

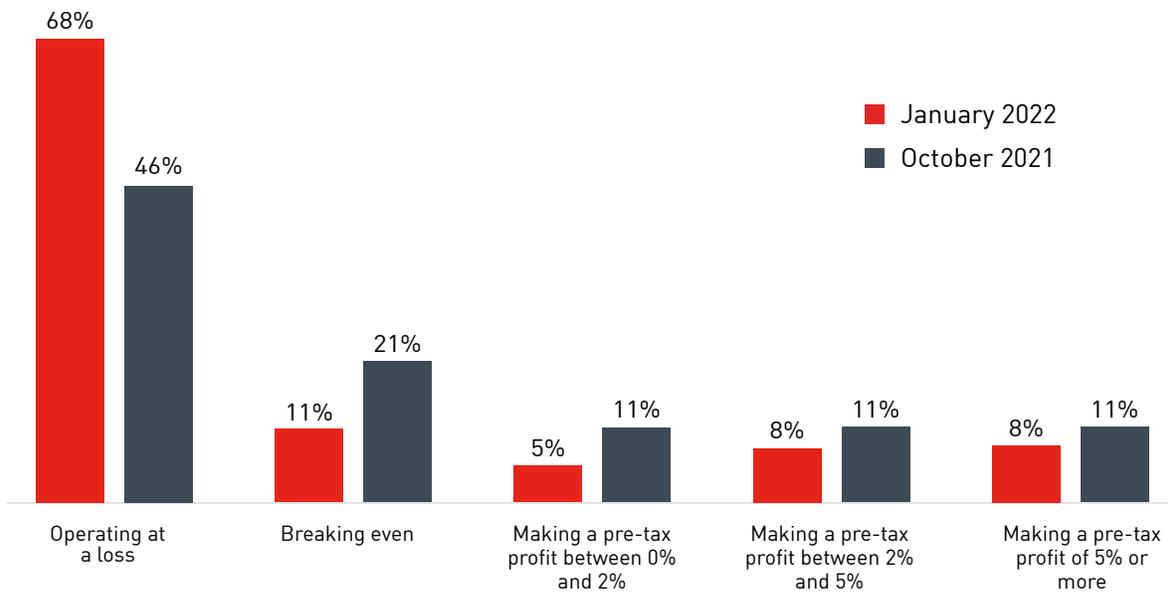


Due to on-premise dining restrictions in many parts of the country, half of respondents were open for takeout and/or delivery only in January 2022



Q: Which of the following best describes your current level of operations? (If you operate more than one location, please select all that apply.)

Eight in 10 foodservice operators were either operating at a loss or just breaking even in January



Q: What best describes the current profitability of your overall operations?

As a result, eight in 10 foodservice operators are either operating at a loss (68%) or just breaking even (11%). Not surprisingly, table-service restaurants and all other foodservice were the hardest hit by the lockdowns and increase in infections, with 74% of table-service restaurants and 68% of all other foodservice operating at a loss.

The most recent wave of COVID-19 will impact restaurants a variety of ways. Most respondents said they will: struggle to keep staff, or have to cut staff hours; reduce their hours of operation; have difficulty hiring back staff/finding new staff. The restrictions and drop in sales will also make it more difficult for restaurant owners to pay rent or suppliers. More than half of respondents said they will have to take on more debt, putting some restaurant owners in an untenable financial position.

How do you expect your operations will be impacted by rising COVID-19 cases (and if applicable, government-mandated restrictions) in the first quarter of 2022?

	Single-unit establishments	Multi-unit establishments
We will struggle to keep existing staff / have to cut staff hours	76%	86%
We will have to reduce our hours of operation	59%	74%
We will struggle with hiring back staff / hiring new staff	54%	71%
We will struggle to continue paying rent	51%	61%
We will take on more debt	50%	58%
We will struggle to continue paying suppliers	45%	43%
We will have to go back to takeout/delivery only	32%	37%
We will have to temporarily close our operations / at least one of our locations	18%	36%
We will have to permanently close our operations / at least one of our locations	5%	12%
No impact	3%	0%



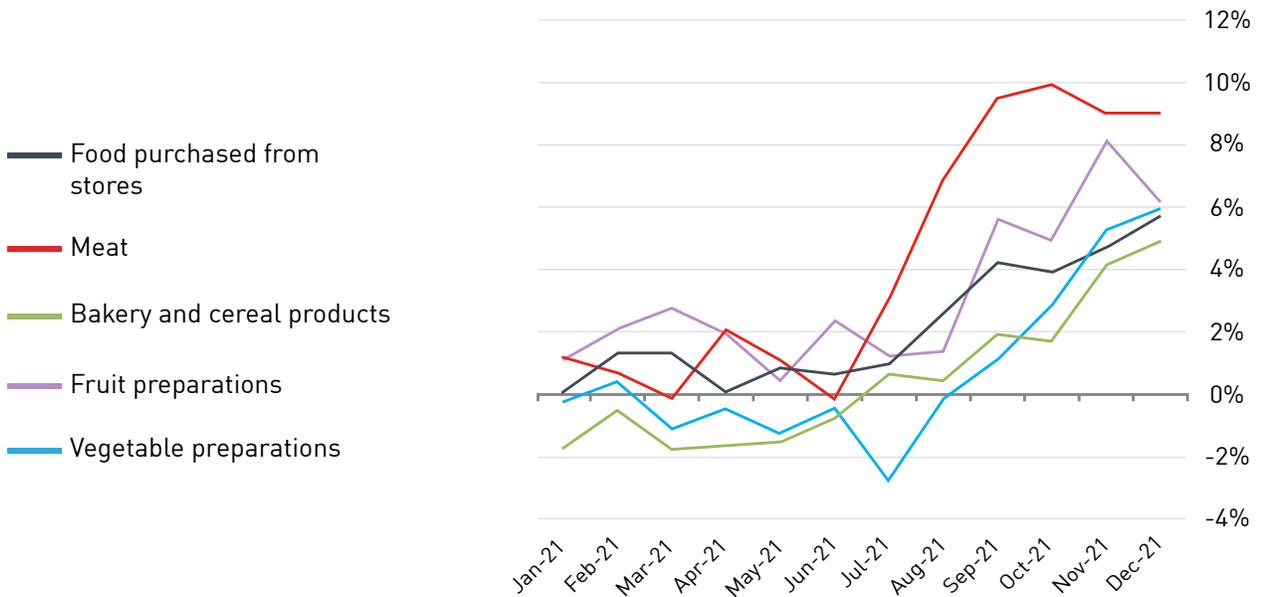
While the impact of the Omicron variant is expected to be short-lived when it comes to both the number of infections and on-premise dining restrictions, the ripple effects will continue to be felt throughout most of the first quarter. It remains uncertain when Canadians will feel comfortable dining indoors at restaurants again once they're allowed to.

The Omicron variant was an unexpected shock to the foodservice industry, interrupting the recent recovery in foodservice sales. As case counts fall, restrictions on on-premise dining are removed and patios reopen, foodservice sales are expected to rebound in the second quarter of 2022, according to Restaurants Canada's latest forecast. The much anticipated return to pre-pandemic commercial foodservice sales levels is expected to finally arrive in the third quarter of 2022 thanks to pent-up consumer demand, and an increase in spending by tourists and businesses.

Menu Prices

In December 2021, Canada's inflation rate soared to a 30-year high of 4.8%, due to supply-chain disruptions, rising energy prices and pent-up consumer demand. Food prices at grocery stores jumped by 5.7%, the largest increase since 2011. Consumers paid more for meat, vegetable and fruit preparations and baked products and cereals due to weather-related factors (e.g. droughts, floods), higher transportation prices, labour shortages and COVID-19 related containment measures (such as social distancing at food manufacturing plants).

Inflation for Food Purchased From Stores



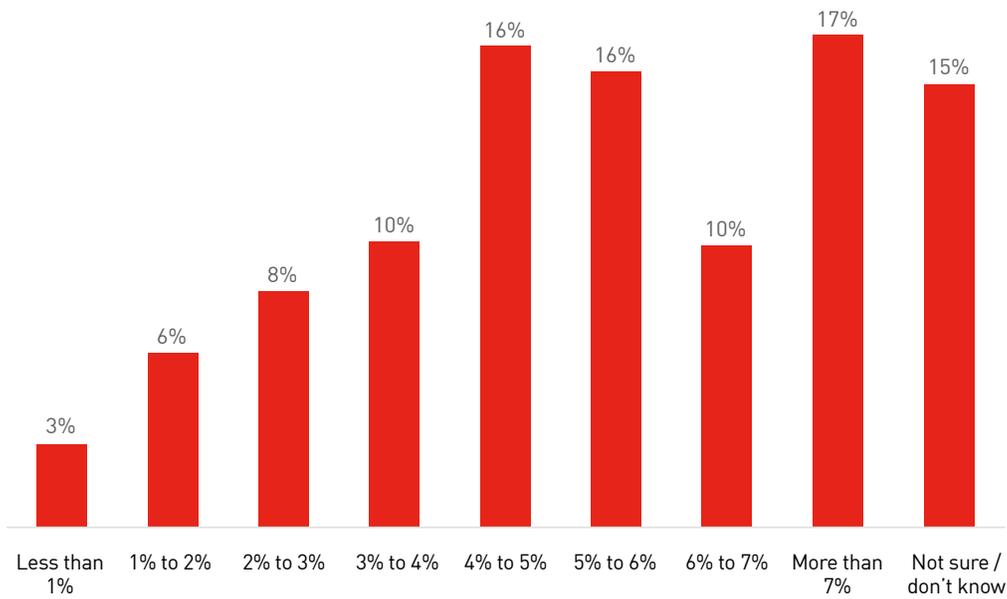
Source: Statistics Canada

In order to cover the costs of higher wages, soaring cost of goods and takeout containers, along with COVID-related cleaning supplies, **menu prices are expected to increase by an average of 5.3% over the next 12 months.**

In fact, 17% of respondents expect to raise their menu prices by more than 7% (with most of those increasing their prices by roughly 10%). Another 15% are unsure how much they will raise menu prices for different reasons. Some respondents noted that they had already raised prices in late 2021 and other respondents are unsure how much more they can pass on to guests.

By segment, menu prices in 2022 are expected to rise by 4.5% at quick-service restaurants, by 5.6% at table-service restaurants and by 5.5% for all other foodservice establishments.

Restaurant operators are expecting to raise their menu prices by an average of 5.3% in 2022



Q: In 2022, by how much do you expect you will increase your menu prices?

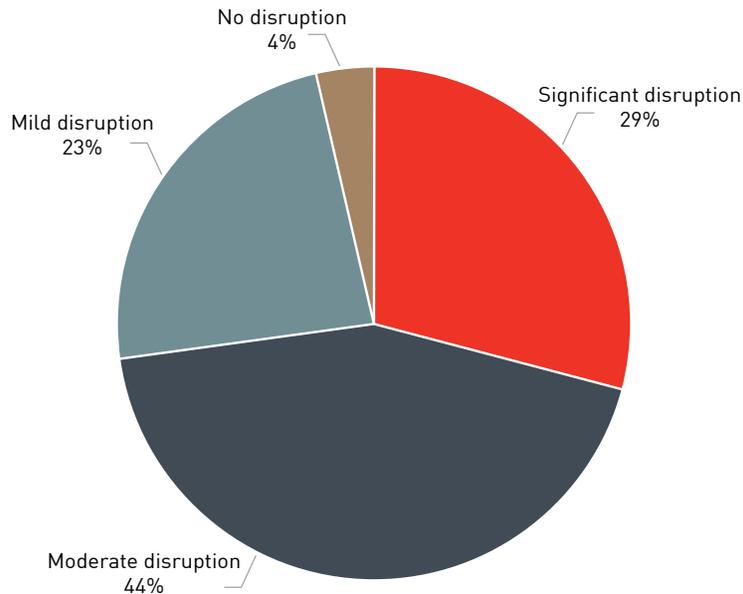


Looking ahead, inflation is expected to steadily moderate. According to the Bank of Canada’s recent Monetary Policy Report for January 2022, overall inflation is expected to fall to 3% by the end of 2022, and then to 2.2% by the end of 2023.

Supply Disruptions

Among the biggest challenges for restaurant operators are ongoing bottlenecks in the supply of goods. Nearly all respondents (96%) reported some disruption in the supply of food or other goods, with 29% experiencing a significant disruption in supply. The results were consistent across table- and quick-service restaurants, as well as chains and independents.

96% of restaurants are experiencing a disruption in food or other supplies

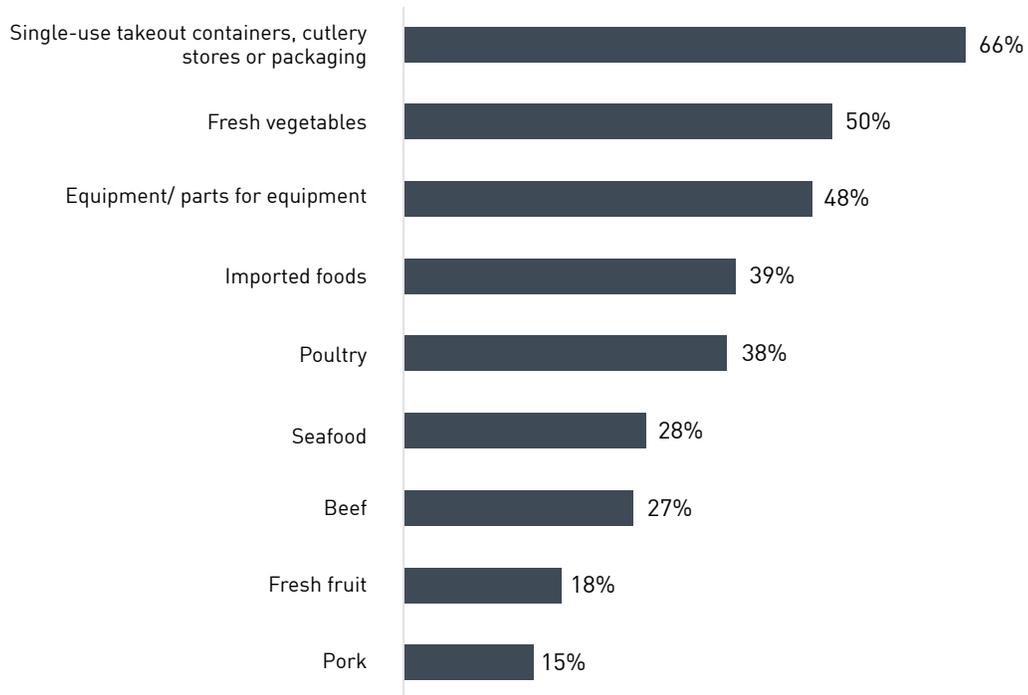


Q: To what extent is your business currently experiencing a disruption in food or other supplies?

For those experiencing a disruption in supply, the biggest challenge is sourcing single-use takeout containers, cutlery or packaging. At a time where restaurants are relying more and more on off-premise to stay in business, 72% of quick-service restaurants and 66% of table-service restaurants are having a difficult time finding takeout containers. Another major challenge is finding equipment and/or parts.

Other items that came up as shortages include condiments (e.g. ketchup, mayonnaise), cooking oil, pop, flour and latex gloves. As one respondent summarized: “It is very random. One week to the next, we don’t know what we will be short of.”

Most significant supply disruptions for restaurant operators (share of respondents)



Q: For which of the following are you currently experiencing a disruption in supply?
(Please check all that apply.)

“The pandemic has created a significant and sustained disruption in supply chain across all industries. Availability of raw material that feeds component supply, COVID-related labour disruptions throughout the supply chain, severe logistical challenges compounded by environmental forces (floods, forest fires) are a result of unforeseen, unplanned and significant (pent up) demand, across the food service equipment industry. All manufacturers are dealing with availability, lead-times and delivery challenges and working hard to support foodservice operators. As we take one step forward on improvements with component supply, labour or logistics, we quickly take two steps back with the emergence of OMICRON and the severe impact it has on the industries human resources from factory workers, truck drivers & delivery people to servers, dishwashers and chefs. As we learn more about the current wave, we feel optimistic that we will see gradual supply chain improvements through the first half of 2022 with a continued return to normal as we end the year.”

Mary Chiarot
Vice President & General Manager · Garland Canada, A Welbilt Company

“We expect prices of many farm products and ingredients to remain elevated for most of 2022. Labour shortages across the entire agri-food supply chain, robust food demand from Canadian trade partners, and tight supply of various crops are just a few of the factors that explain inflationary pressures on ingredients and food.”

Jean-Philippe Gervais, PhD
 Vice-President, Economics and Valuations, & Chief Economist / FCC I FAC

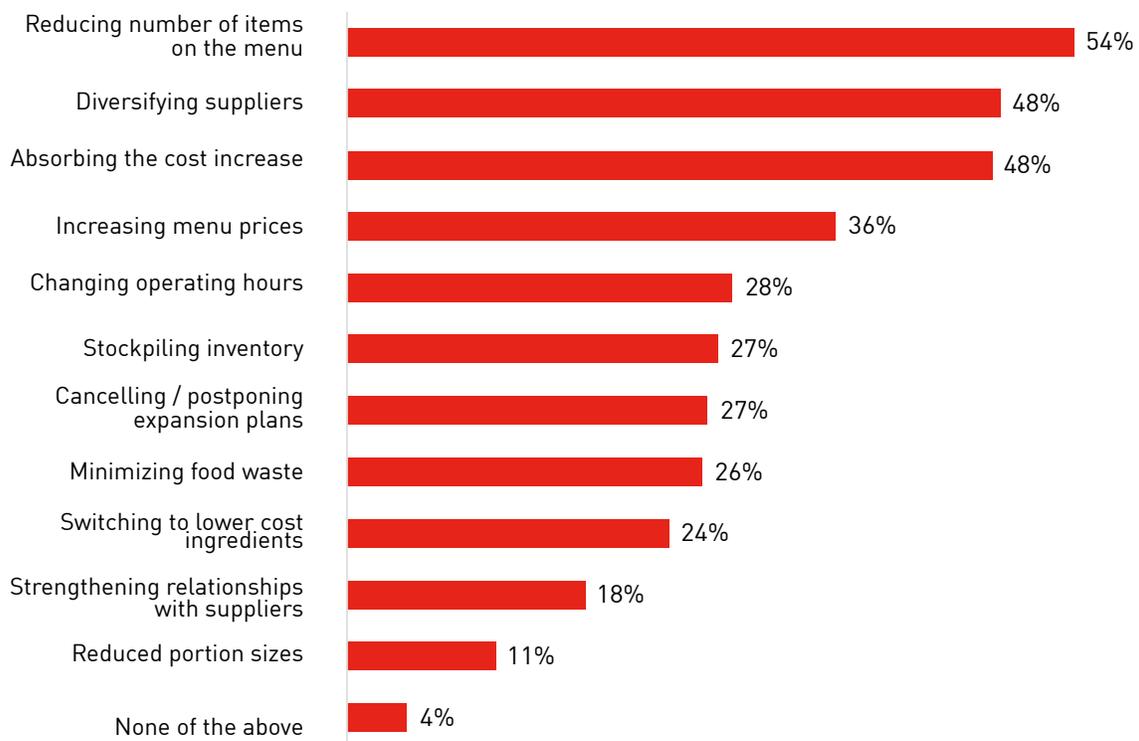
In response to these disruptions, restaurant owners are taking a variety of approaches. More than half (54%) are reducing the number of items on the menu. Nearly half (48%) said they are diversifying suppliers. For some restaurant owners, part of that diversification includes going to grocery stores.

“We need to go shopping ourselves on a daily basis for sales.”

“I’m having to go out and buy the various products to try to replace items we can’t get delivered.”

While nearly half (48%) of operators are partially or fully absorbing the increase, others have been forced to raise menu prices. By segment, 40% of table-service restaurants said they are increasing their menu prices due to supply disruptions compared to 25% of quick-service restaurants.

How restaurant operators are responding to the disruption in supplies (share of respondents)

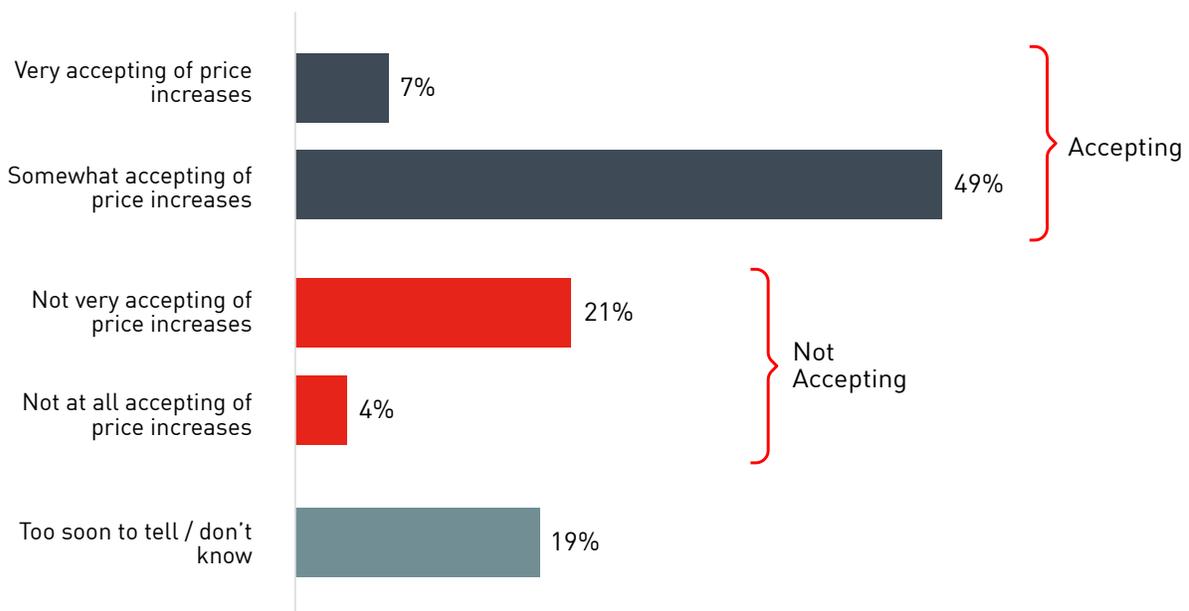


Q: How are you responding to the disruption in supplies? (Please select all that apply)

Supply disruptions impact the foodservice operators and their employees and guests, but also the overall Canadian economy. **Nearly three in 10 respondents said they are cancelling or postponing their expansion plans, which translates into thousands of lost jobs and millions of dollars in forgone investment in communities around the country.**

In recent months, the increased cost of running a business, whether in the foodservice industry or elsewhere, has meant raising prices. When it comes to recent menu price increases, 49% of respondents said their guests are “somewhat accepting” and another 7% “very accepting”. There are signs, however, that some guests are growing resistant to price increases, especially at table-service restaurants. Nearly 30% of table-service restaurant respondents said that guests are “not very accepting” or “not at all accepting” of the recent price increases. This compares to 20% of guests at quick-service restaurants.

Nearly half of guests have been “somewhat accepting” of recent price increases at restaurants

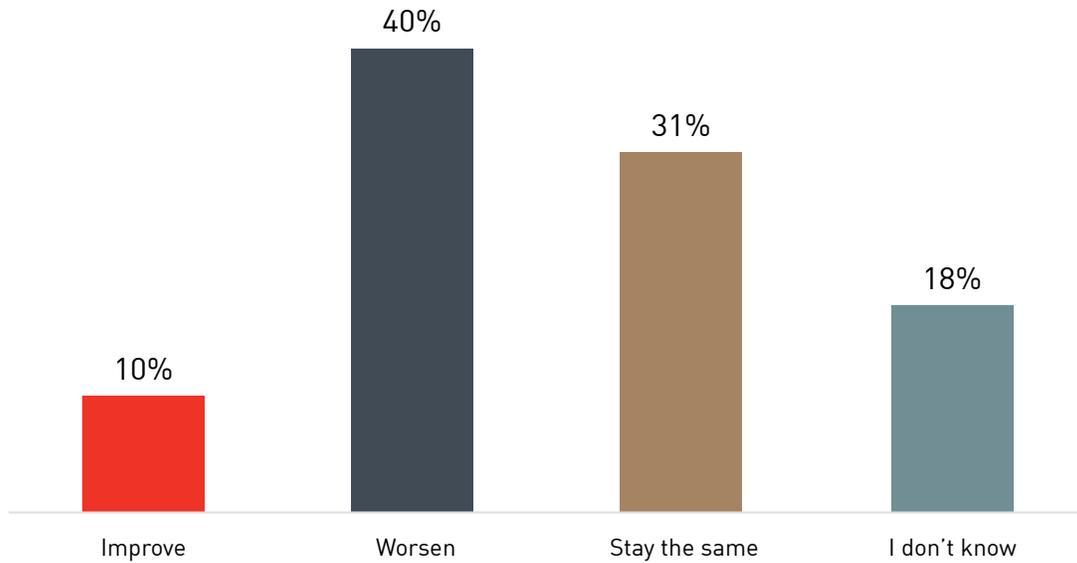


Q: How would you characterize guest reactions to menu price increases?

Looking ahead, restaurant operators are bracing for more supply disruptions in the short term. Nearly half (49%) of quick-service restaurants and 40% of table-service restaurants expect that supply chain disruptions to their business will worsen over the next six months. In contrast, only one in 10 respondents expect the supply chain disruptions to improve.

There are some positive signs, at least at the global level, that hope is on the horizon. While data on transport costs and delivery times for firms remains at an all-time high, they have begun to plateau. The Bank of Canada expects that global supply disruptions will ease through 2022, which will put less pressure on prices.

Four in 10 restaurants expect supply chain disruptions to worsen over the next six months



Q: Over the next six months, do you expect supply chain disruptions for your business to...?



A chef in a white uniform and mask is working in a kitchen. The chef is seen from the side, looking down. The background shows kitchen equipment like a range hood and shelves. The text is overlaid on a white semi-transparent box.

Summary

“It’s like deja-vu all over again” – Yogi Berra

Two years into the pandemic, it was expected that the start of 2022 would bring about a new beginning for Canada’s beleaguered foodservice industry. Instead, 2022 began on a sour note. The surge in the Omicron variant once again led to on-premise dining restrictions in many parts of the country, resulting in a steep drop in same-store sales. Compounding the problem are severe supply disruptions and crippling labour shortages.

While there was little positive news to report in Q1, there is one underlying silver lining worth noting. Given that the lockdowns are expected to be short in duration, roughly nine out of 10 restaurants are ready to move forward with their business.

Given everything the restaurant industry has been through, many foodservice operators have reached a point where they are better able to withstand the unexpected hardships. Over the past two years, restaurant owners have gained experience and become more flexible in reacting to the increase in COVID-19 cases. Restaurants are more scalable, learning to adapt to operating at 50%, 75%, and 90% occupancy, or focusing on off-premise sales.

Make no mistake: the Omicron wave has caused considerable hardships for restaurant owners and their employees. Yet the lessons learned from past shutdowns have made restaurants more resilient and innovative than ever, building up “operational calluses”. This resiliency will help them through future challenges, whatever they may be.

We began this summary with a quote from Yogi Berra, so it is only fitting to end with another. The quote refers to not giving up, even when all seems lost. But there is another perspective that seems equally true. The rise of the Omicron variant is a cautious and humbling reminder to the foodservice industry about the duration of this pandemic:

“It ain’t over until it’s over.” – Yogi Berra

A close-up shot of fresh vegetables including a green bell pepper, a red tomato, and a cucumber on a wooden cutting board.

Which of the following best describes your current level of operations? (If you operate more than one location, please select all that apply.)

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Fully operating without any capacity restrictions	10%	9%	10%	15%
Open for on-premise dining, but at reduced capacity or outdoor dining only	26%	12%	29%	30%
Open for takeout and/or delivery only	51%	58%	53%	36%
All operations are temporarily closed due to COVID-19	11%	6%	13%	16%
Permanently closed due to COVID-19	2%	1%	2%	4%
Seasonal operation that is currently closed	2%	1%	2%	4%

For the following months, was your total sales volume, higher, lower, or about the same as it was compared to the same month in 2019?

October 2021 vs October 2019

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Higher	10%	21%	8%	8%
About the same	10%	12%	10%	8%
Lower, with a decline in sales of less than 10%	8%	10%	7%	10%
Lower, with a decline in sales between 10% and 24%	21%	21%	22%	16%
Lower, with a decline in sales between 25% and 39%	24%	18%	26%	22%
Lower, with a decline in sales of 40% or more	27%	18%	27%	36%

November 2021 vs November 2019

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Higher	10%	26%	7%	6%
About the same	10%	8%	12%	5%
Lower, with a decline in sales of less than 10%	12%	14%	11%	14%
Lower, with a decline in sales between 10% and 24%	21%	19%	22%	20%
Lower, with a decline in sales between 25% and 39%	24%	16%	26%	24%
Lower, with a decline in sales of 40% or more	23%	17%	23%	31%

First half of December 2021 vs first half of December 2019

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Higher	8%	20%	5%	7%
About the same	11%	12%	10%	11%
Lower, with a decline in sales of less than 10%	14%	16%	14%	11%
Lower, with a decline in sales between 10% and 24%	20%	23%	20%	21%
Lower, with a decline in sales between 25% and 39%	22%	13%	25%	18%
Lower, with a decline in sales of 40% or more	25%	16%	26%	31%

Second half of December 2021 vs second half of December 2019

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Higher	5%	15%	3%	4%
About the same	7%	11%	6%	9%
Lower, with a decline in sales of less than 10%	9%	17%	7%	7%
Lower, with a decline in sales between 10% and 24%	16%	18%	15%	15%
Lower, with a decline in sales between 25% and 39%	21%	14%	23%	19%
Lower, with a decline in sales of 40% or more	42%	26%	46%	46%

How did the increase in COVID-19 cases impact your reservations for winter holiday parties and New Year's Eve celebrations in December 2021?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
We had no cancellations	0,4%	0%	0%	2%
We had very few cancellations	3%	3%	3%	0%
We had some cancellations	11%	5%	13%	12%
We had a lot of cancellations	38%	10%	46%	36%
All our reservations were cancelled	23%	8%	26%	26%
We do not take reservations at our establishment(s)	25%	74%	12%	25%



Roughly what percentage of your staff are currently unavailable for work for reasons related to COVID-19? (Reasons may include isolating due to infection or possible exposure to the virus, providing care to someone in their household, etc.)

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
More than 50%	9%	5%	9%	13%
Between 40% to 50%	5%	5%	5%	7%
Between 30% to 40%	6%	7%	6%	6%
Between 20% to 30%	15%	10%	17%	11%
Between 10% to 20%	21%	18%	22%	20%
Less than 10%	21%	34%	19%	15%
None of our staff are currently unavailable for work for reasons related to COVID-19	22%	21%	21%	28%

What best describes the current profitability of your overall operations?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Making a pre-tax profit of 5% or more	8%	19%	5%	10%
Making a pre-tax profit between 2% and 5%	8%	13%	7%	6%
Making a pre-tax profit between 0% and 2%	5%	9%	4%	7%
Breaking even	11%	12%	11%	9%
Operating at a loss	68%	47%	74%	68%

How many foodservice establishments do you operate?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
A single, independent establishment	52%	31%	58%	54%
A single location with a multi-unit business or franchise	13%	19%	12%	11%
More than one establishment	35%	50%	30%	35%



How do you expect your operations will be impacted by rising COVID-19 cases (and if applicable, government-mandated restrictions) in the first quarter of 2022? (Please select all that apply)

-SINGLE UNIT ESTABLISHMENTS

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
We will struggle to keep existing staff/have to cut staff hours	76%	61%	82%	66%
We will have to reduce our hours of operation	59%	45%	63%	53%
We will struggle with hiring back staff/hiring new staff	54%	44%	58%	47%
We will struggle to continue paying rent	51%	45%	56%	36%
We will take on more debt	50%	38%	54%	44%
We will struggle to continue paying suppliers	45%	33%	50%	33%
We will have to go back to takeout/delivery only	32%	35%	34%	23%
We will have to temporarily close our operations	18%	9%	17%	29%
We will have to permanently close our operations	5%	3%	5%	7%
No impact	3%	5%	2%	3%

How do you expect your operations will be impacted by rising COVID-19 cases (and if applicable, government-mandated restrictions) in the first quarter of 2022? (Please select all that apply.)

-MULTI-UNIT ESTABLISHMENTS

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
We will struggle to keep existing staff/have to cut staff hours	86%	71%	92%	85%
We will have to reduce our hours of operation for at least one of our locations	74%	74%	77%	63%
We will struggle with hiring back staff/hiring new staff	71%	67%	74%	71%
We will struggle to continue paying rent	61%	50%	70%	44%
We will take on more debt	58%	47%	65%	49%
We will struggle to continue paying suppliers	43%	32%	49%	39%
We will have to go back to takeout/delivery only	37%	36%	39%	29%
We will have to temporarily close at least one of our locations	36%	35%	34%	44%
We will have to permanently close at least one of our locations	12%	14%	13%	10%
No impact	0%	2%	0%	0%

By what percentage did you increase your menu prices by in 2021 compared to 2020?

-ALL ESTABLISHMENTS

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
We didn't increase our menu prices in 2021	13%	13%	11%	23%
Less than 1%	3%	5%	2%	6%
1% to 2%	8%	11%	7%	6%
2% to 3%	11%	15%	11%	6%
3% to 4%	9%	13%	9%	4%
4% to 5%	16%	13%	17%	19%
5% to 6%	11%	8%	13%	9%
6% to 7%	11%	10%	11%	12%
More than 7%	14%	9%	16%	13%
Not sure / don't know	3%	4%	3%	3%

In 2022, by how much do you expect you will increase your menu prices?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Less than 1%	3%	4%	2%	6%
1% to 2%	6%	13%	5%	2%
2% to 3%	8%	10%	8%	6%
3% to 4%	10%	10%	10%	9%
4% to 5%	16%	13%	15%	26%
5% to 6%	16%	13%	18%	8%
6% to 7%	10%	5%	11%	8%
More than 7%	17%	10%	18%	19%
Not sure / don't know	15%	21%	13%	15%

To what extent is your business currently experiencing a disruption in food or other supplies?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Significant disruption	29%	26%	30%	31%
Moderate disruption	44%	43%	45%	38%
Mild disruption	23%	27%	23%	19%
No disruption	4%	4%	2%	12%

For which of the following are you currently experiencing a disruption in supply? (Please check all that apply.)

(based on those that are currently experiencing a supply disruption)

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Single-use takeout containers, cutlery or packaging	66%	72%	66%	53%
Fresh vegetables	50%	34%	53%	59%
Equipment / parts for equipment	48%	48%	46%	53%
Imported foods	39%	30%	42%	33%
Poultry	38%	27%	39%	45%
Seafood	28%	4%	35%	29%
Beef	27%	13%	30%	33%
Fresh fruit	18%	7%	20%	29%
Pork	15%	12%	14%	27%

How are you responding to the disruption in supplies? (Please select all that apply)

(based on those that are currently experiencing a supply disruption)

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Reducing number of items on the menu	54%	40%	56%	62%
Diversifying suppliers	48%	48%	47%	53%
Absorbing the cost increase	48%	42%	50%	43%
Increasing menu prices	36%	25%	40%	33%
Changing operating hours	28%	19%	32%	22%
Stockpiling inventory	27%	25%	28%	28%
Cancelling / postponing expansion plans	27%	22%	26%	34%
Minimizing food waste	26%	24%	26%	29%
Switching to lower cost ingredients	24%	14%	25%	31%
Strengthening relationships with suppliers	18%	13%	18%	24%
Reduced portion sizes	11%	10%	11%	11%
None of the above	4%	10%	3%	3%

How would you characterize guest reactions to menu price increases?

(based on those that are increasing menu prices above)

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Very accepting of price increases	7%	9%	7%	9%
Somewhat accepting of price increases	49%	63%	47%	47%
Not very accepting of price increases	21%	11%	24%	15%
Not at all accepting of price increases	4%	9%	3%	3%
Too soon to tell / don't know	19%	9%	19%	26%

Over the next six months, do you expect supply chain disruptions for your business to...?

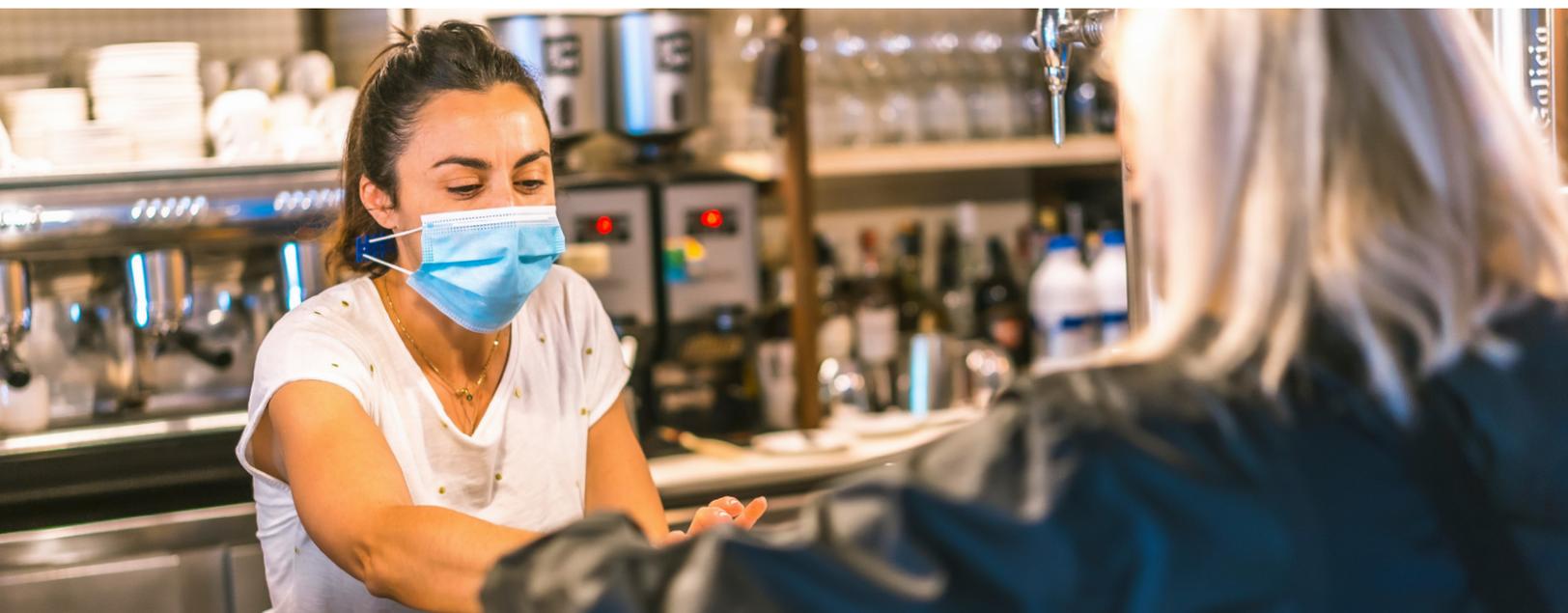
	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Improve	10%	7%	11%	11%
Worsen	40%	49%	40%	33%
Stay the same	31%	27%	33%	31%
I don't know	18%	17%	17%	25%

How many units do you own and/or operate?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Number of Responses	759	137	480	142
Number of Units	6,846	1,955	3,609	1,282

* Includes table-service restaurant and combination table-service restaurant and bar

** Includes accommodation, drinking places, institutions (e.g. health care, education) and managed service providers.



About the Restaurant Outlook Survey

The results for the fourth quarter are compiled from responses to an email to foodservice operators inviting them to take an online survey. The survey was conducted in January 2022.

Restaurants Canada encourages foodservice operators to participate in the Restaurant Outlook Survey to ensure results continue to be representative of our industry. Contact Chris Elliott at celliot@restaurantscanada.org to participate in the survey.

About Restaurants Canada

Restaurants Canada is a growing community of 30,000 foodservice businesses, including restaurants, bars, caterers, institutions, and suppliers. We connect our members from coast to coast through services, research, and advocacy for a strong and vibrant restaurant community.

Before the start of the COVID-19 pandemic, Canada's foodservice sector was a \$95 billion industry, directly employing 1.2 million people, providing Canada's number one source of first jobs and serving 22 million customers across the country every day.



**Restaurants
Canada**

The voice of foodservice | La voix des services alimentaires

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