



Quarterly Forecast

Q1 2022





Highlights

- The outlook for Canada's foodservice industry has been revised upward with foodservice sales now forecast to grow to \$76.3 billion in 2022, representing a 16.5% increase over 2021. As a result, 2022 sales are forecast to be just 0.9% below 2019 levels.
- Due to the impact of the Omicron variant, commercial foodservice sales in Q1 2022 are forecast to be 11% below pre-pandemic levels. Revenues at caterers and drinking places are forecast to decline by nearly 40% in Q1 2022 compared to Q1 2019.
- A decline in cases and loosening of on-premise restrictions is expected to boost sales in the second quarter. In the third quarter, pent-up consumer demand will help total commercial foodservice sales return to pre-pandemic levels. As a result, total foodservice sales in Q3 are forecast to be 5% above Q3 2019 levels.
- Looking further ahead, we remain cautiously optimistic about Q4. While we anticipate that children will be back in school and Canadians will have returned back to the offices (for at least part of the week), a rise in COVID-19 cases in the Fall could restrain consumer spending.
- The forecast will hinge on a several issues: the evolution of the virus, the rapid increase in the price of everyday items such as gasoline and groceries, and the Russian invasion of Ukraine.



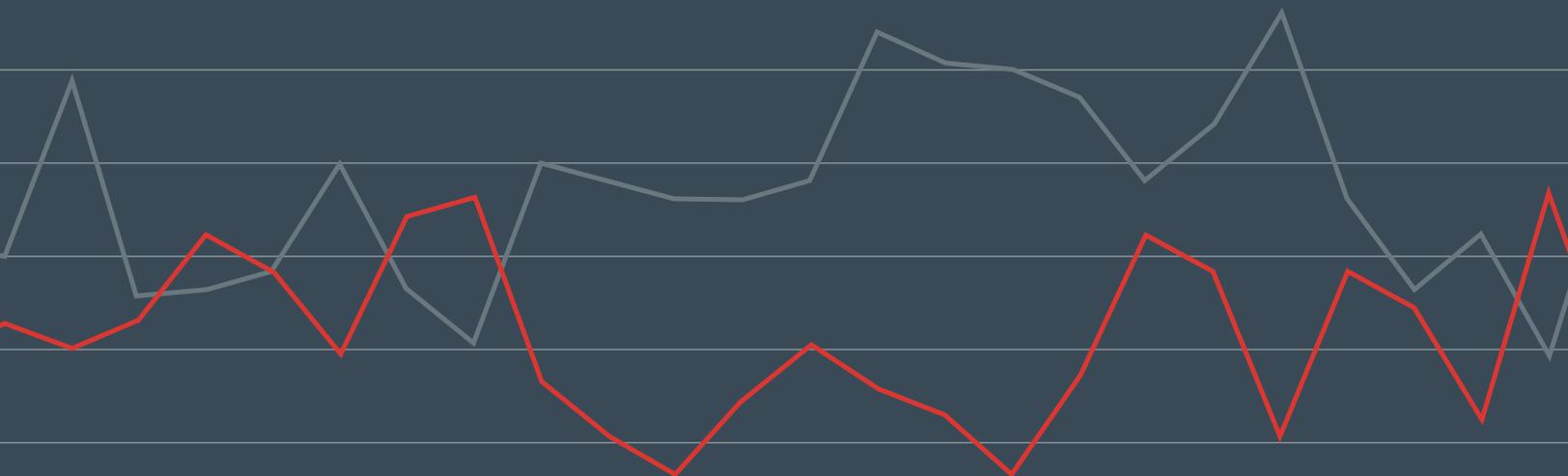
Since the release of our Quarterly Forecast in early January 2022, a number of favourable developments have led to an upward revision to our foodservice outlook for 2022. Commercial foodservice sales in Canada are now forecast to grow to \$76.3 billion in 2022, representing a 16.5% increase over 2021 and resulting in annual sales just 0.9% below 2019 levels. Previously, our calculations called for sales to grow to \$73.2 billion, which would have kept annual sales 5% below 2019 levels.

The largest adjustment is to Q1 foodservice sales, thanks to a much faster-than-expected decline in the number of Omicron cases. In addition, a sooner-than-expected elimination of mandatory vaccination passports for on-premise dining, combined with restaurants being allowed to operate at 100% capacity have also contributed to a more favourable outlook. As a result, Q1 2022 foodservice sales are now projected to grow to \$15.2 billion. While a marked improvement compared to our previous forecast of \$13.7 billion, sales will still be 11% below Q1 2019 levels.

Pent-up consumer demand and COVID-19 fatigue are expected to boost foodservice sales in the second quarter. A noticeable rebound in spending at full-service restaurants, caterers and drinking places is projected to boost total commercial foodservice sales in Q2 to \$19.2 billion, just 2% below pre-pandemic levels.

The long-awaited return to pre-pandemic level sales volumes is expected in Q3, with commercial foodservice sales forecast to rise to a record \$21.6 billion, 5% above pre-pandemic levels. Spending will also be bolstered by an increase in tourism spending on foodservice.

We remain cautiously optimistic about Q4. While we anticipate that children will be back in school and Canadians will have returned back to the offices (for at least part of the week), a rise in COVID-19 cases in the Fall could restrain consumer spending.



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	\$9,335.9	\$8,832.9	\$7,711.6	\$9,001.7	\$9,616.0	\$9,007.4
year-over-year change	4.6%	4.9%	4.0%	4.2%	-6.6%	-28.1%	-10.3%	-11.5%	-0.5%	34.7%	15.0%	16.8%	10.8%	7.3%	3.0%	2.0%
change in sales relative to 2019									-7%	-3%	3%	3%	3%	4%	6%	5%
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	\$8,906.9	\$7,874.7	\$6,220.7	\$8,283.0	\$9,884.6	\$8,892.7
year-over-year change	5.3%	5.3%	4.3%	4.5%	-13.9%	-62.8%	-27.8%	-42.0%	-30.9%	61.1%	32.3%	56.9%	37.8%	58.7%	11.0%	12.9%
change in sales relative to 2019									-41%	-40%	-4%	-9%	-18%	-5%	6%	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	\$1,105.7	\$1,260.5	\$857.5	\$1,353.7	\$1,469.0	\$1,769.5
year-over-year change	5.9%	6.1%	6.0%	6.1%	-7.6%	-67.6%	-55.6%	-54.9%	-43.2%	58.7%	55.6%	61.1%	17.1%	67.0%	32.9%	40.4%
change in sales relative to 2019									-47%	-49%	-31%	-27%	-38%	-14%	-8%	2%
Drinking Places	\$623.5	\$695.2	\$714.9	\$660.7	\$493.6	\$173.3	\$444.8	\$289.4	\$222.6	\$291.5	\$561.8	\$447.9	\$379.4	\$604.8	\$679.1	\$581.4
year-over-year change	-1.0%	-1.7%	-4.3%	-5.2%	-20.8%	-75.1%	-37.8%	-56.2%	-54.9%	68.2%	26.3%	65.1%	70.4%	107.5%	20.9%	21.7%
change in sales relative to 2019									-64%	-58%	-21%	-28%	-39%	-13%	-5%	-12%
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	\$19,910.2	\$18,445.9	\$15,169.1	\$19,243.2	\$21,648.7	\$20,251.0
year-over-year change	4.8%	4.9%	4.0%	4.1%	-10.4%	-48.3%	-22.6%	-30.3%	-18.8%	44.9%	24.4%	35.1%	22.1%	30.8%	8.7%	9.8%
change in sales relative to 2019									-27%	-25%	-4%	-6%	-11%	-2%	5%	3%

Source: Restaurants Canada and Statistics Canada
 Note: Shaded areas represent forecast periods.

Commercial Foodservice Sales Forecast

(sales in millions of dollars)

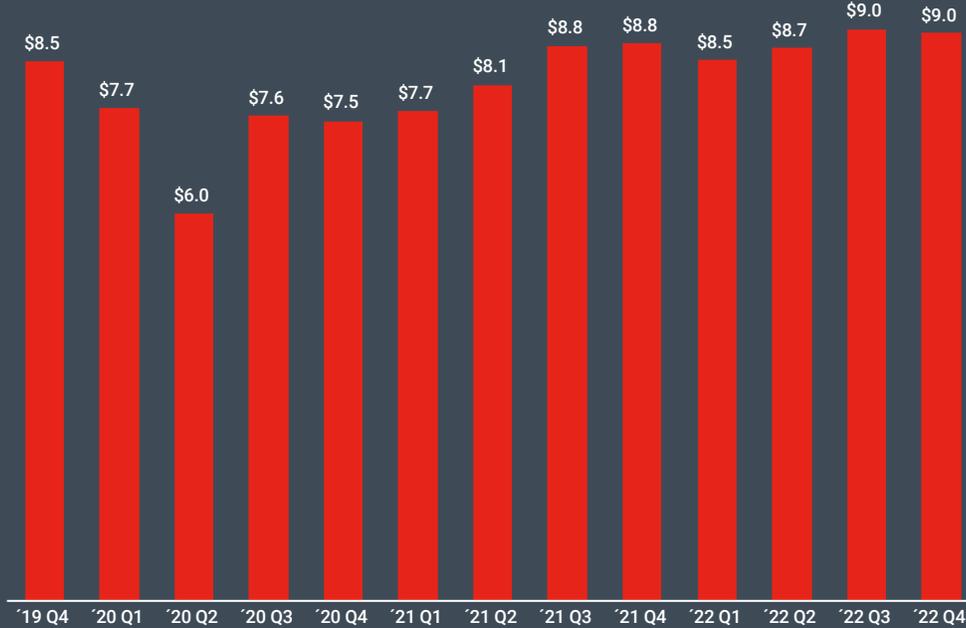
					Relative to 2019	
	2019	2020	2021	2022	2021	2022
Quick-service Restaurants year-over-year change	\$33,734.8 4.4%	\$28,902.4 -14.3%	\$33,518.9 16.0%	\$35,336.6 5.4%	-0.6%	4.7%
Full-service Restaurants year-over-year change	\$34,289.7 4.8%	\$21,524.7 -37.2%	\$26,514.6 23.2%	\$33,281.0 25.5%	-22.7%	-2.9%
Caterers year-over-year change	\$6,306.9 6.0%	\$3,291.7 -47.8%	\$3,908.7 18.7%	\$5,449.8 39.4%	-38.0%	-13.6%
Drinking Places year-over-year change	\$2,694.3 -3.1%	\$1,401.0 -48.0%	\$1,553.8 10.9%	\$2,244.7 44.5%	-42.3%	-16.7%
Total Sales year-over-year change	\$77,025.7 4.4%	\$55,119.8 -28.4%	\$65,495.9 18.8%	\$76,312.0 16.5%	-15.0%	-0.9%

Source: Restaurants Canada and Statistics Canada

Note: Shaded areas represent forecast periods.

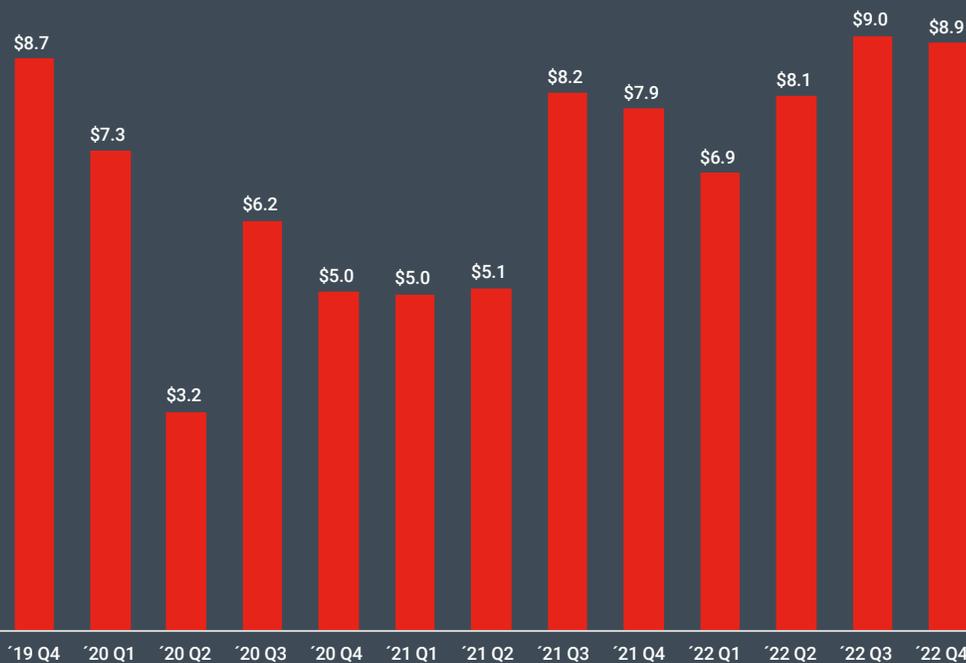
Quarterly Quick-service Restaurant Sales

(seasonally adjusted, in billion of dollars)



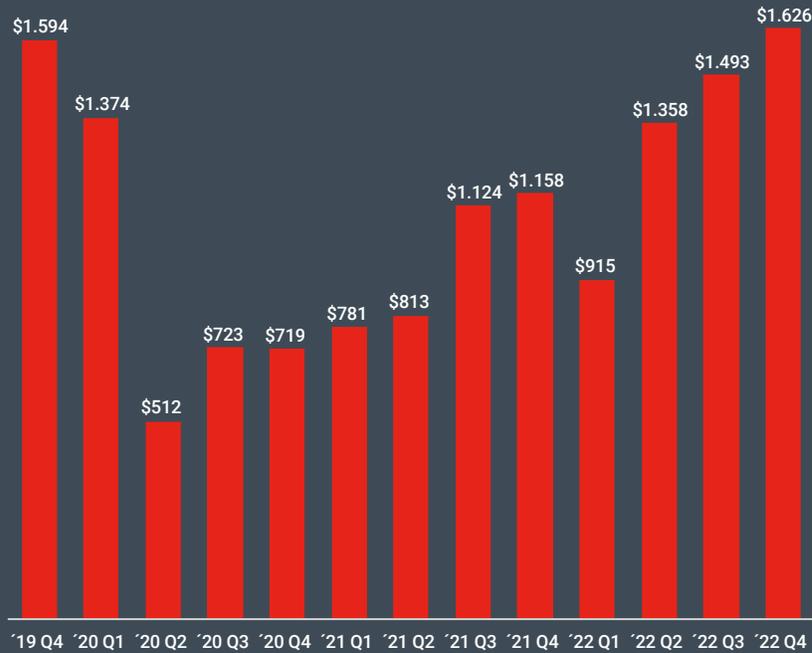
Quarterly Full-service Restaurant Sales

(seasonally adjusted, in billion of dollars)



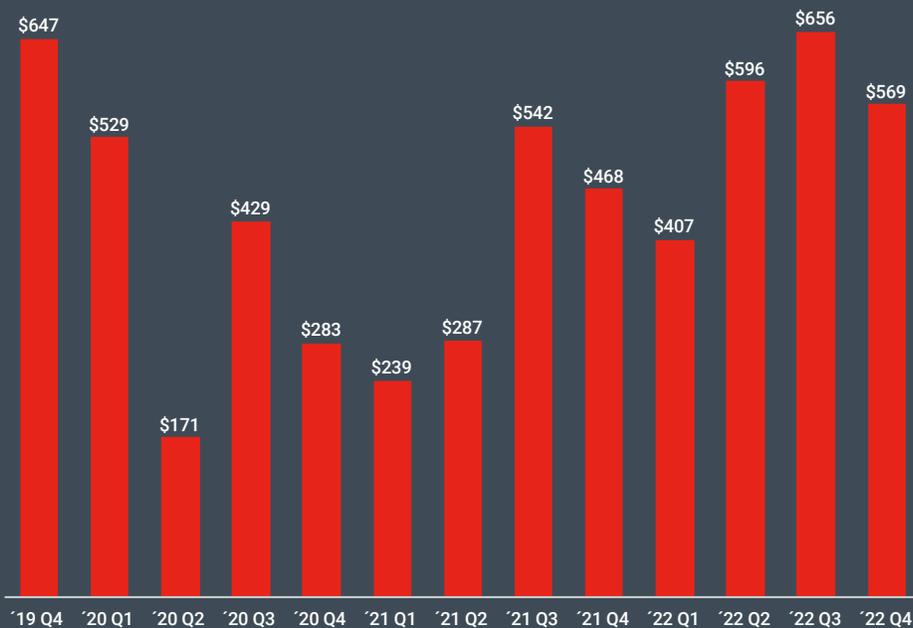
Quarterly Caterer Revenues

(seasonally adjusted, in billion of dollars)



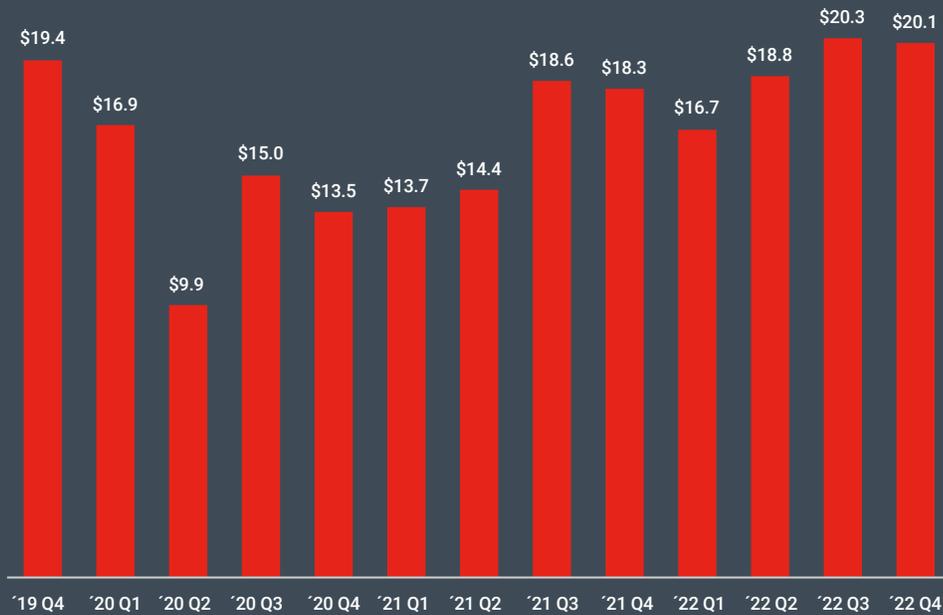
Quarterly Drinking Place Sales

(seasonally adjusted, in billion of dollars)



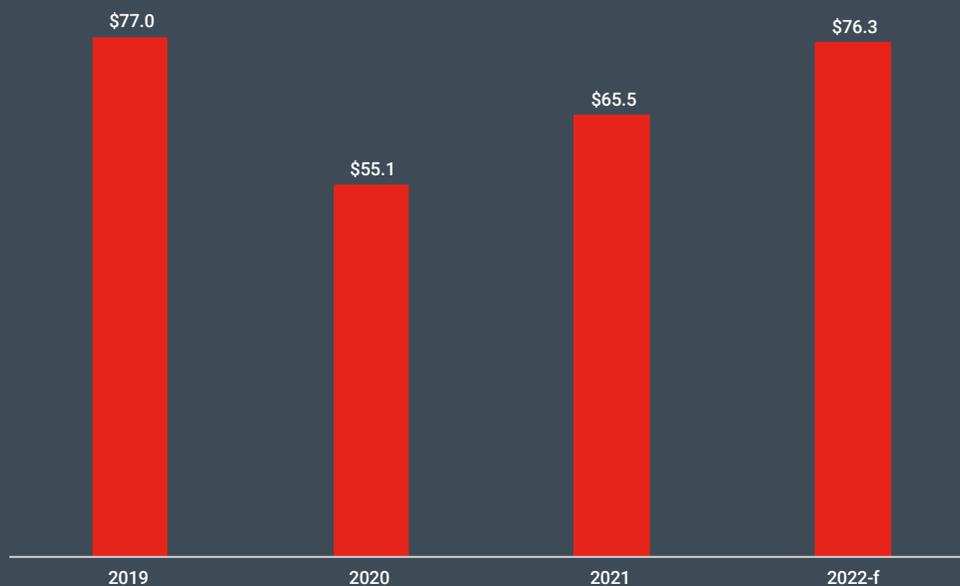
Quarterly Total Commercial Foodservice Sales

(seasonally adjusted, in billion of dollars)



Commercial Foodservice Sales Forecast

(in billions)



About the Restaurants Canada Quarterly Forecast

Restaurants Canada uses an econometric model to forecast commercial foodservice sales by using the Conference Board of Canada's forecasts of consumer spending, disposable income, real GDP, employment and tourism by segment.

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. The industry lost more than 800,000 jobs by April.

For further information

Restaurants Canada
1155 Queen Street West,
Toronto, Ontario M6J 1J4
Tel: (416) 923-8416 or 1-800-387-5649
Fax: (416) 923-1450
E-mail: members@restaurantscanada.org
Website: restaurantscanada.org

Thank you to our corporate sponsors

Platinum



Gold



Silver



