CANADIAN RESTAURANT AND FOODSERVICES ASSOCIATION

Alberta Foodservice Forecast

Alberta Foodservice Expo 2011

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crfa.ca Canadian Restaurant and Foodservices Association

About CRFA

Mission:

Create an environment to allow our members across Canada to grow and prosper.

About CRFA

- Government Affairs
- Research/Information
- Member Savings
- Industry Events

Today’s Presentation

- Foodservice Facts and Forecast
- Consumer Attitudes
- Menu Trends

Today’s Presentation

- **Foodservice Facts and Forecast**
- **Consumer Attitudes**
- **MenuTrends**

Alberta’s Foodservice Industry

Annual sales	$8.4 billion
Share of GDP	3.1%
Direct jobs	125,200
Share of workforce	6.2%

SOURCE: CRFA and Statistics Canada

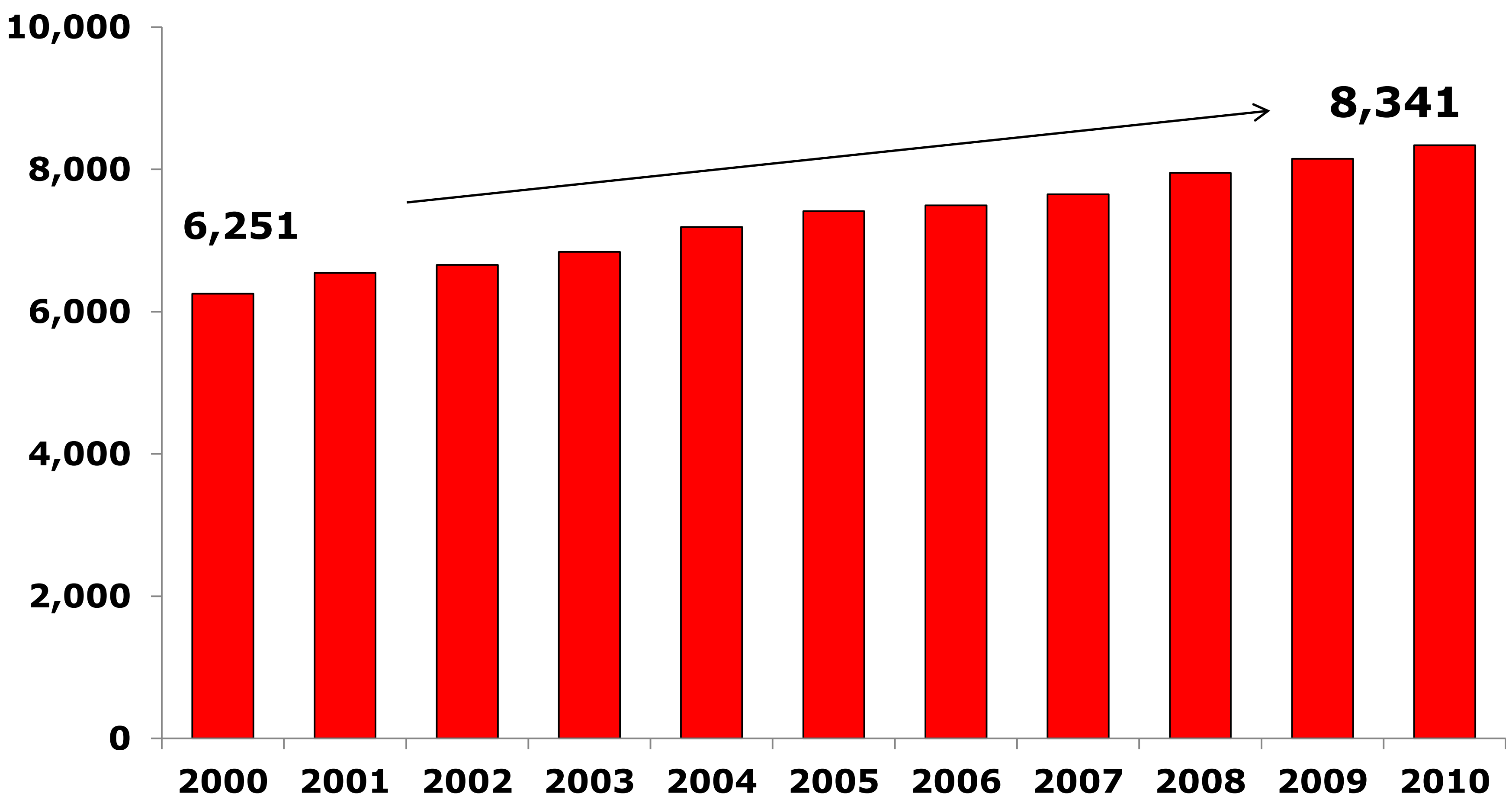
Number One Source of First Jobs

Q: In what industry were you first employed?

1. **Restaurant/foodservice 22%**
2. **Retail 16%**
3. **Manufacturing 11%**
4. **Delivering newspapers 8%**
5. **Agriculture 6%**

SOURCE: Ipsos and CRFA

Number of Restaurants in Alberta



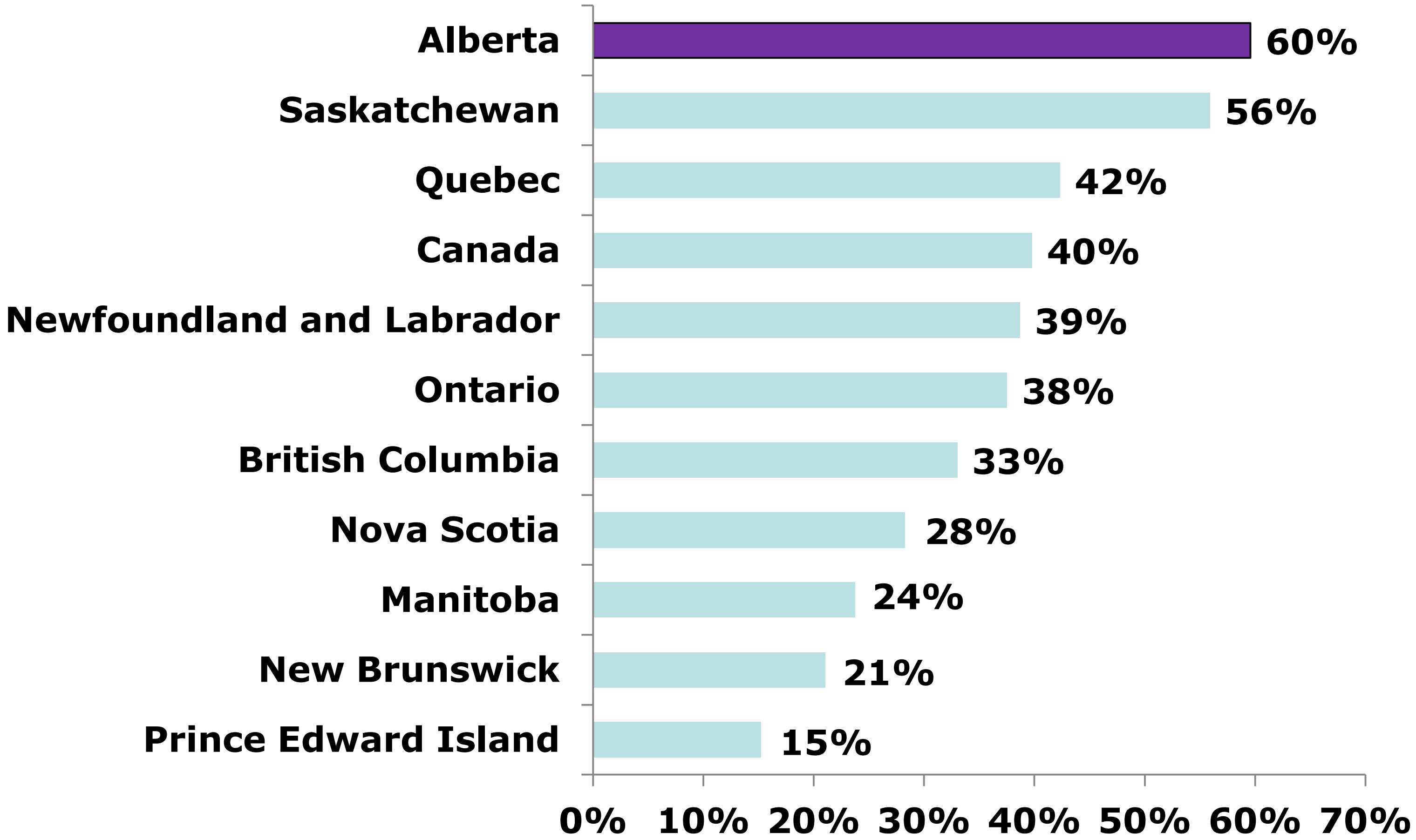
SOURCE: ReCount/NPD Group

Segment Share of Sales - Alberta

	Annual Sales	Market Share
QSR	$3. 1 billion	44%
FSR	$3 billion	42%
Caterers	$628 million	9%
Drinking Places	$325 million	5%
Total Commercial	$7.1 billion	100%

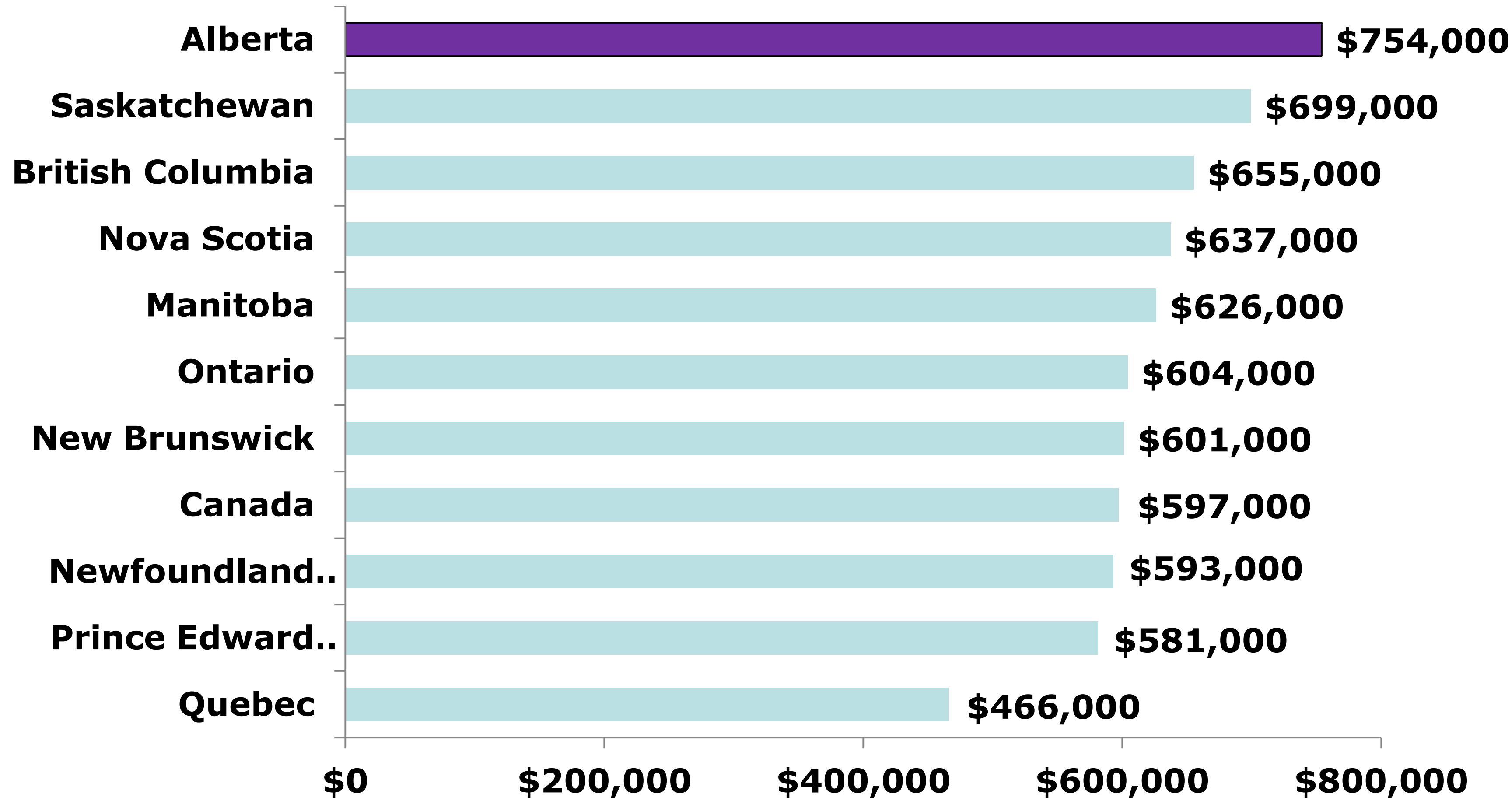
SOURCE: Statistics Canada

1. Foodservice Sales Growth Since 2001



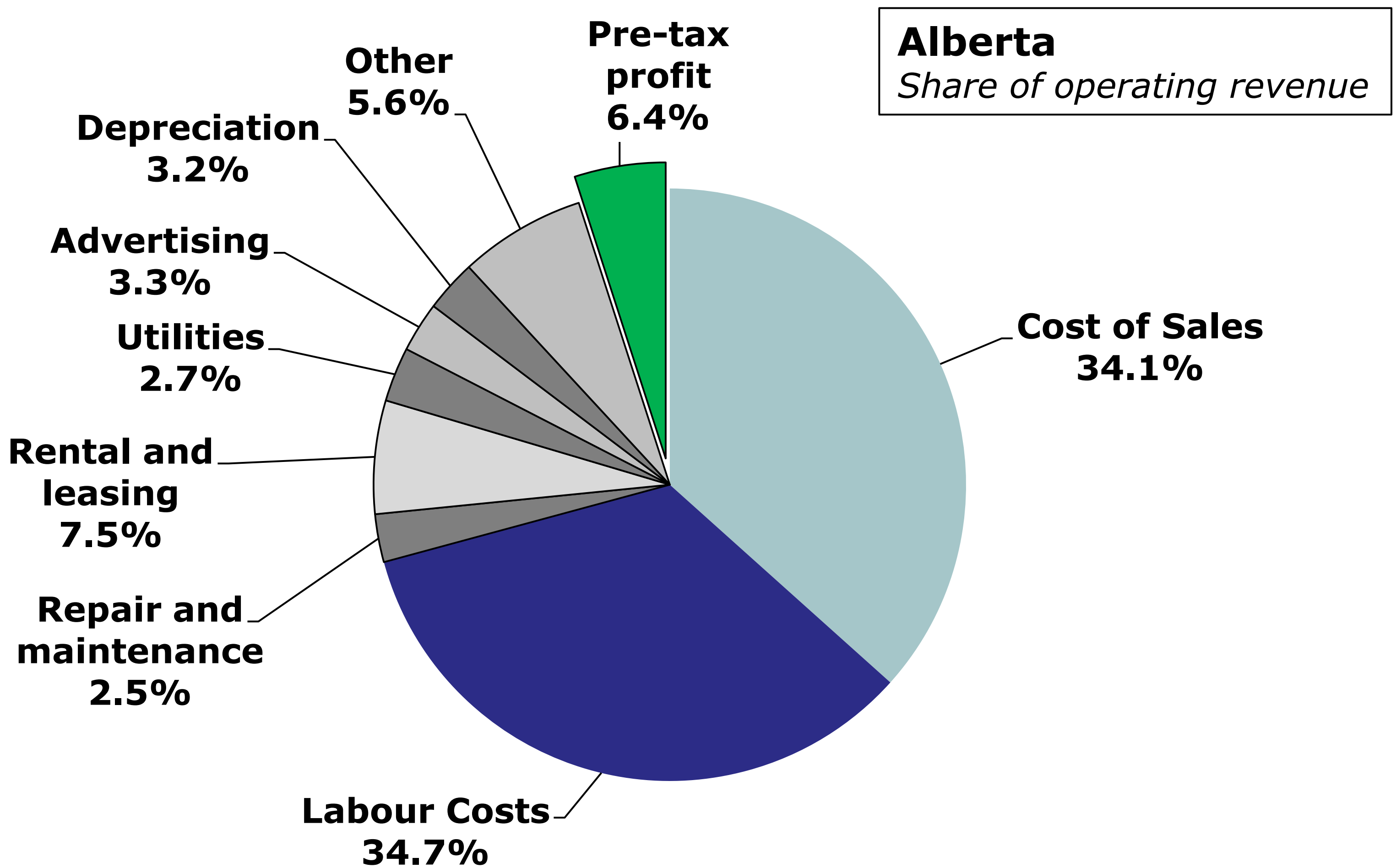
SOURCE: Statistics Canada (Commercial foodservice)

2. Average Annual Unit Volume



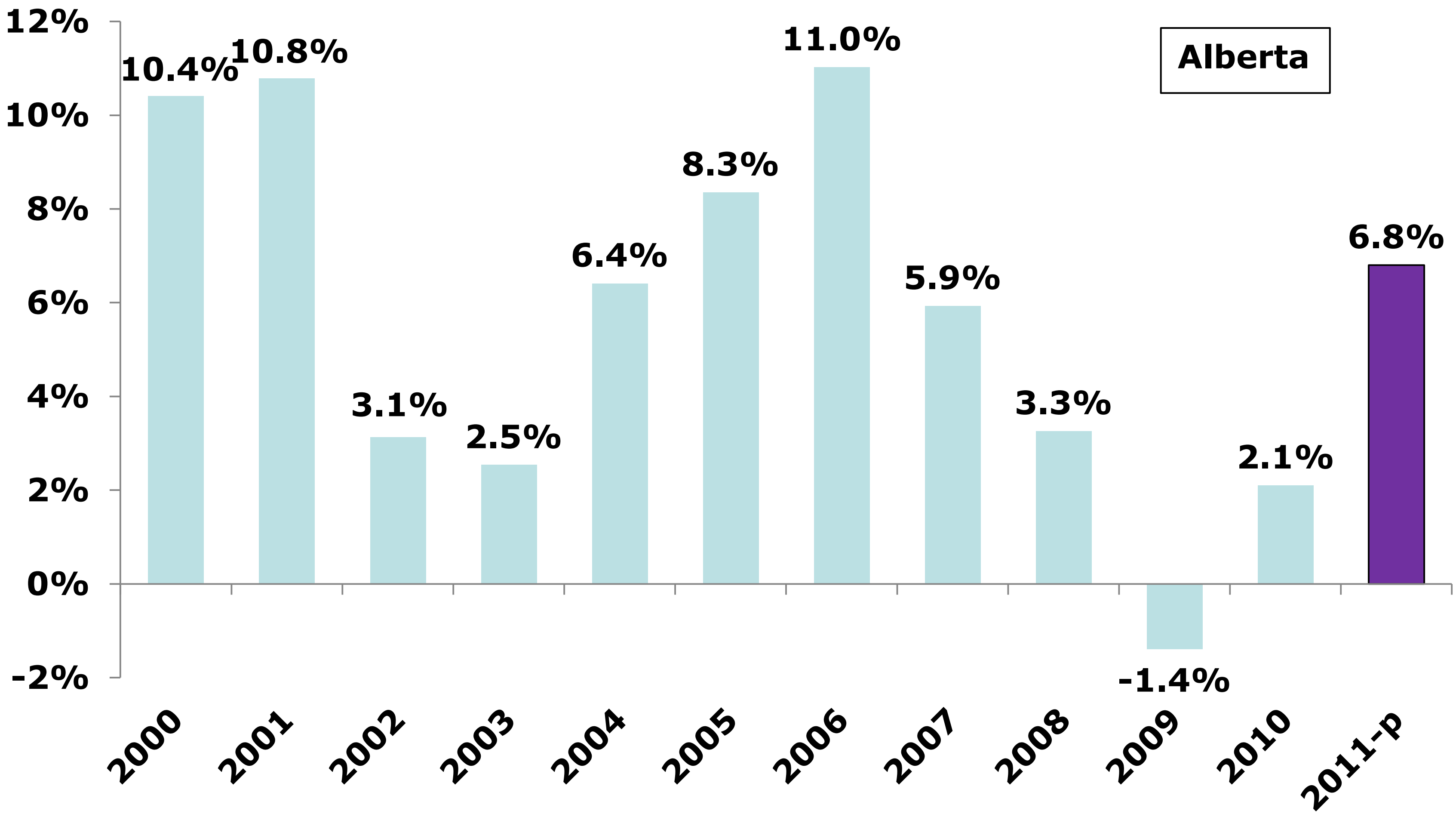
SOURCE: Statistics Canada, 2010

3. Average Profit Margin



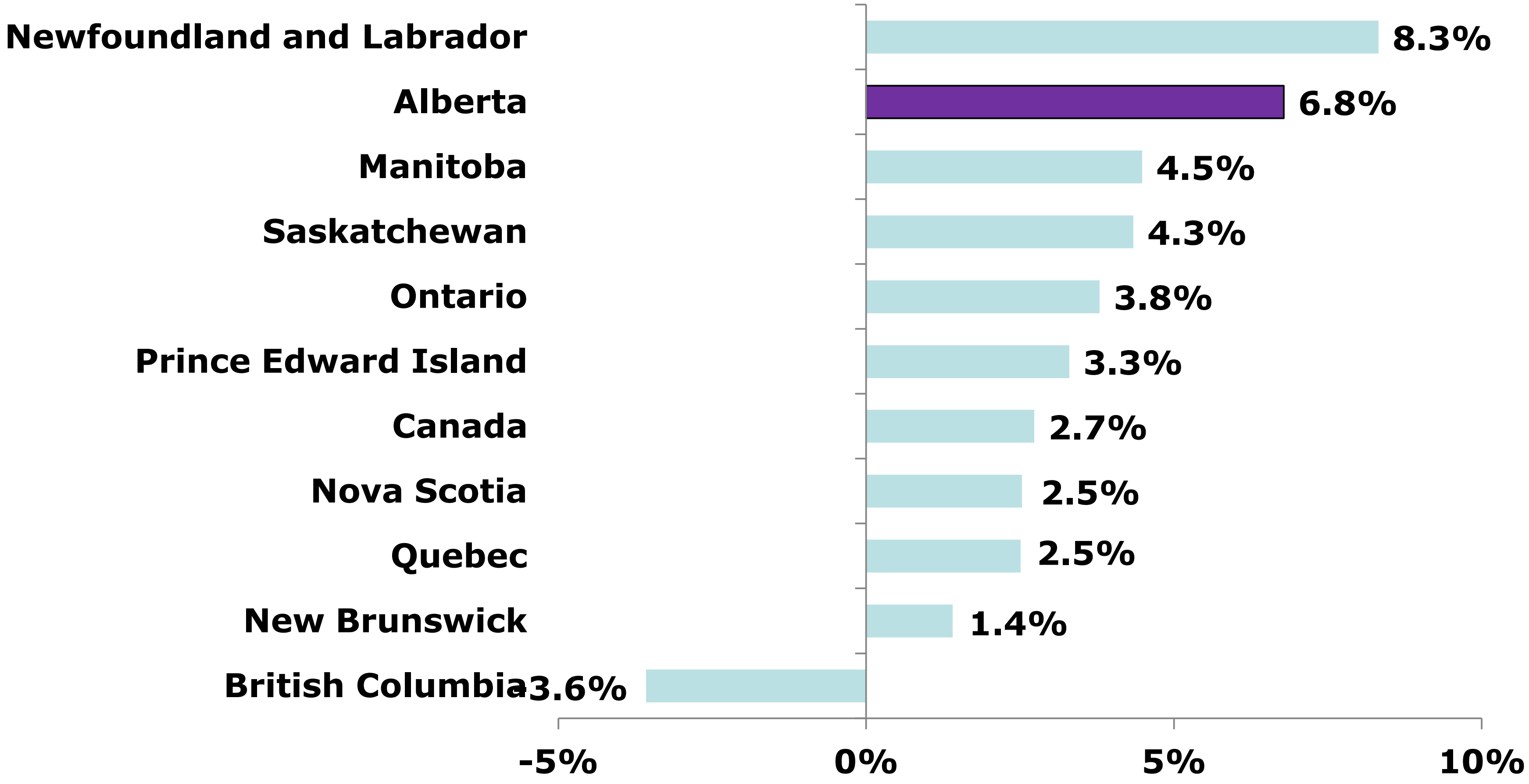
SOURCE: Statistics Canada and CRFA (2009 data)

4. 2011 Foodservice Sales Growth



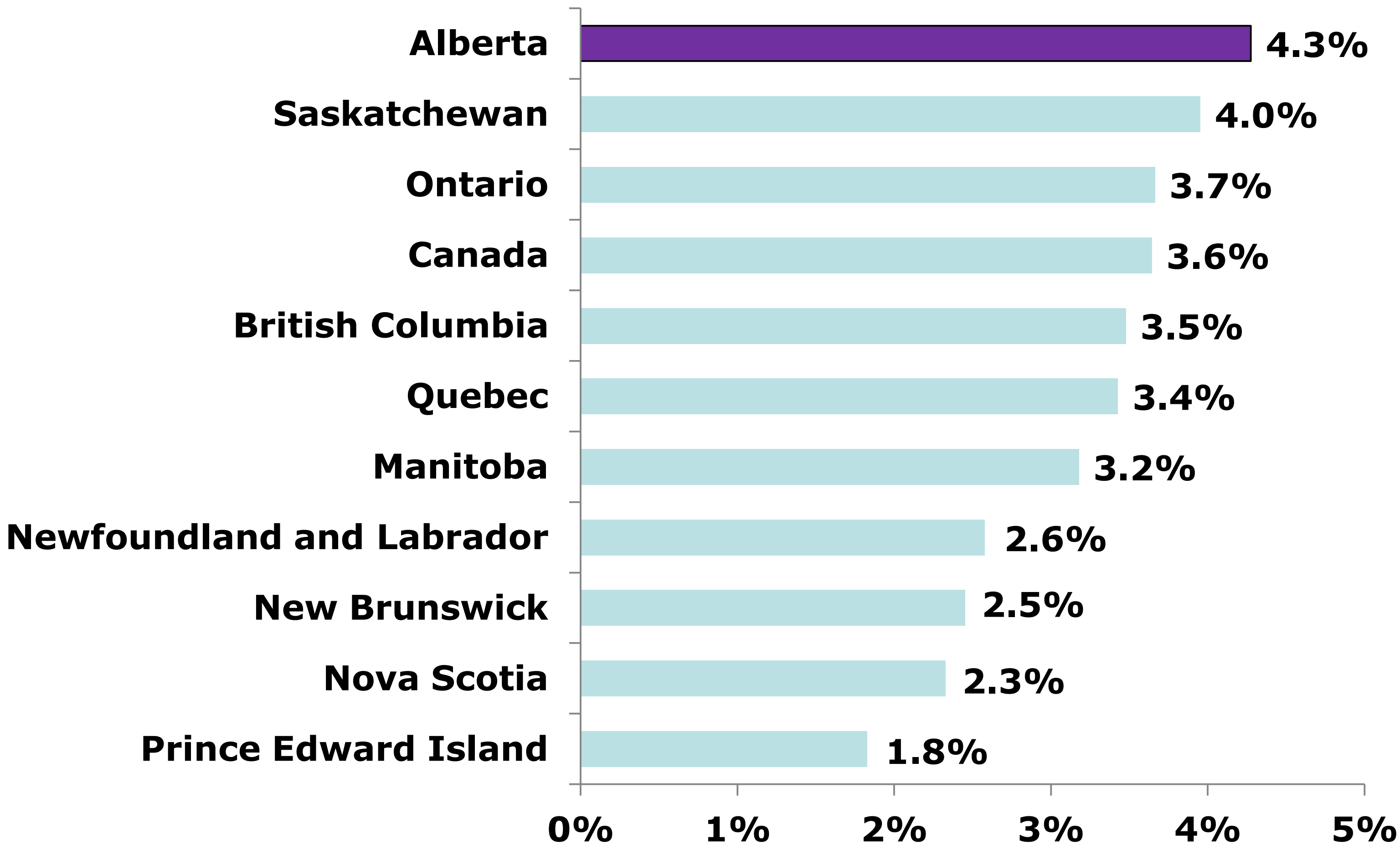
SOURCE: Statistics Canada (Commercial foodservice)
P – preliminary. Based on data for the first half of 2011.

2011 Foodservice Sales Growth



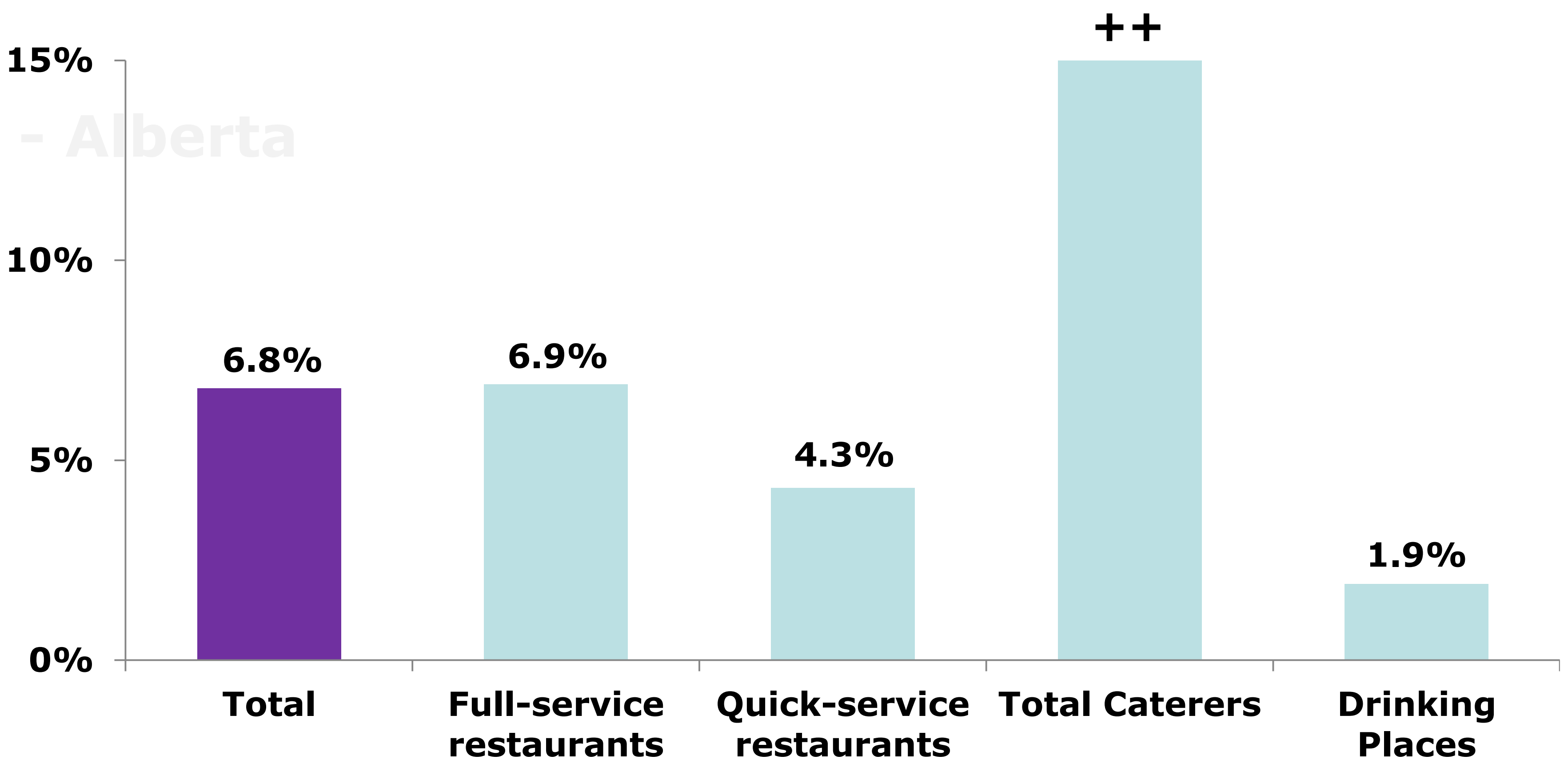
SOURCE: Statistics Canada (Commercial foodservice)
Based on data for the first half of 2011.

5. Long Term Foodservice Sales Growth
(average annual change, 2012 to 2015)



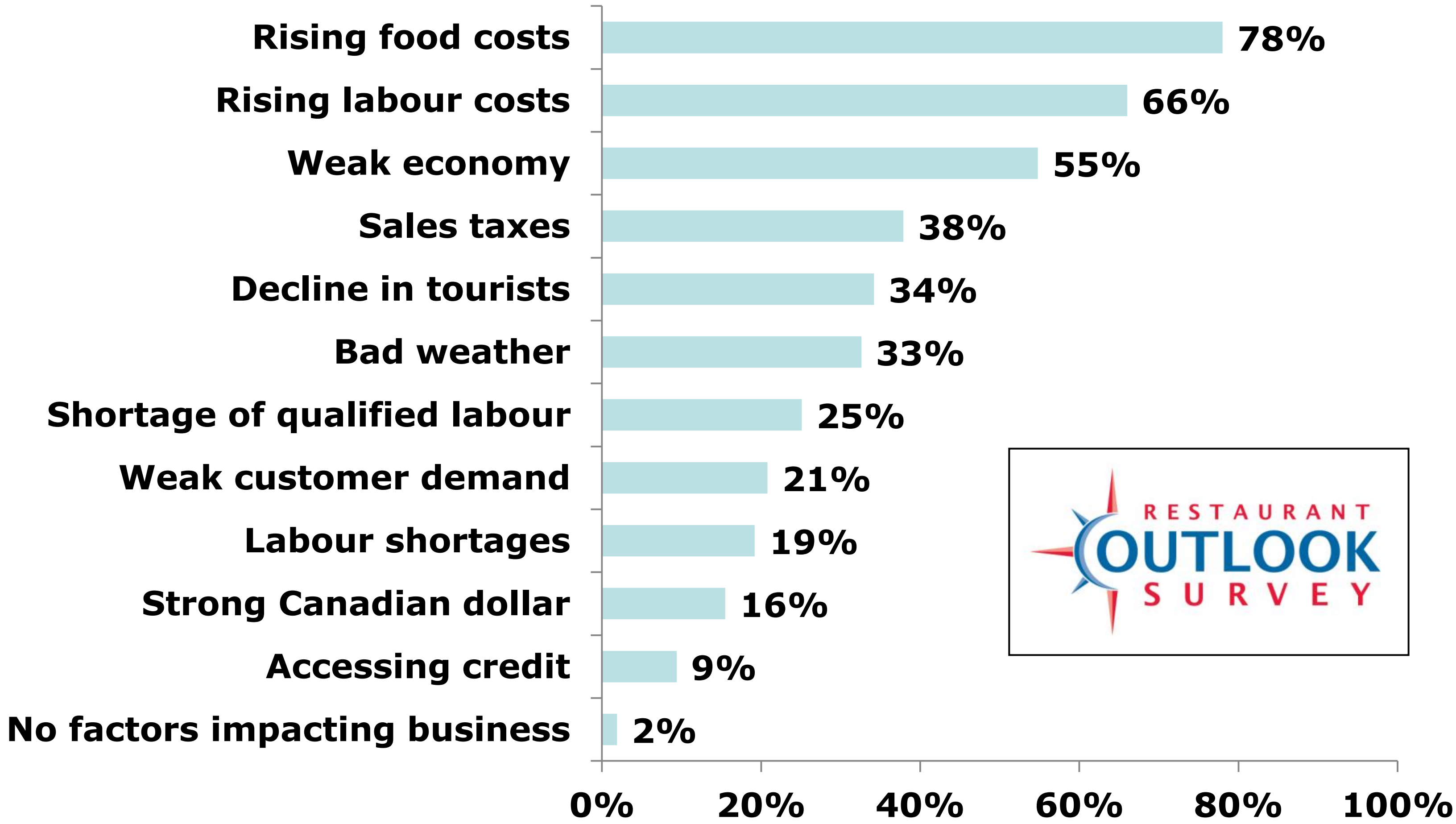
SOURCE: CRFA's Long Term Foodservice Forecast

2011 Foodservice Sales Growth - Alberta



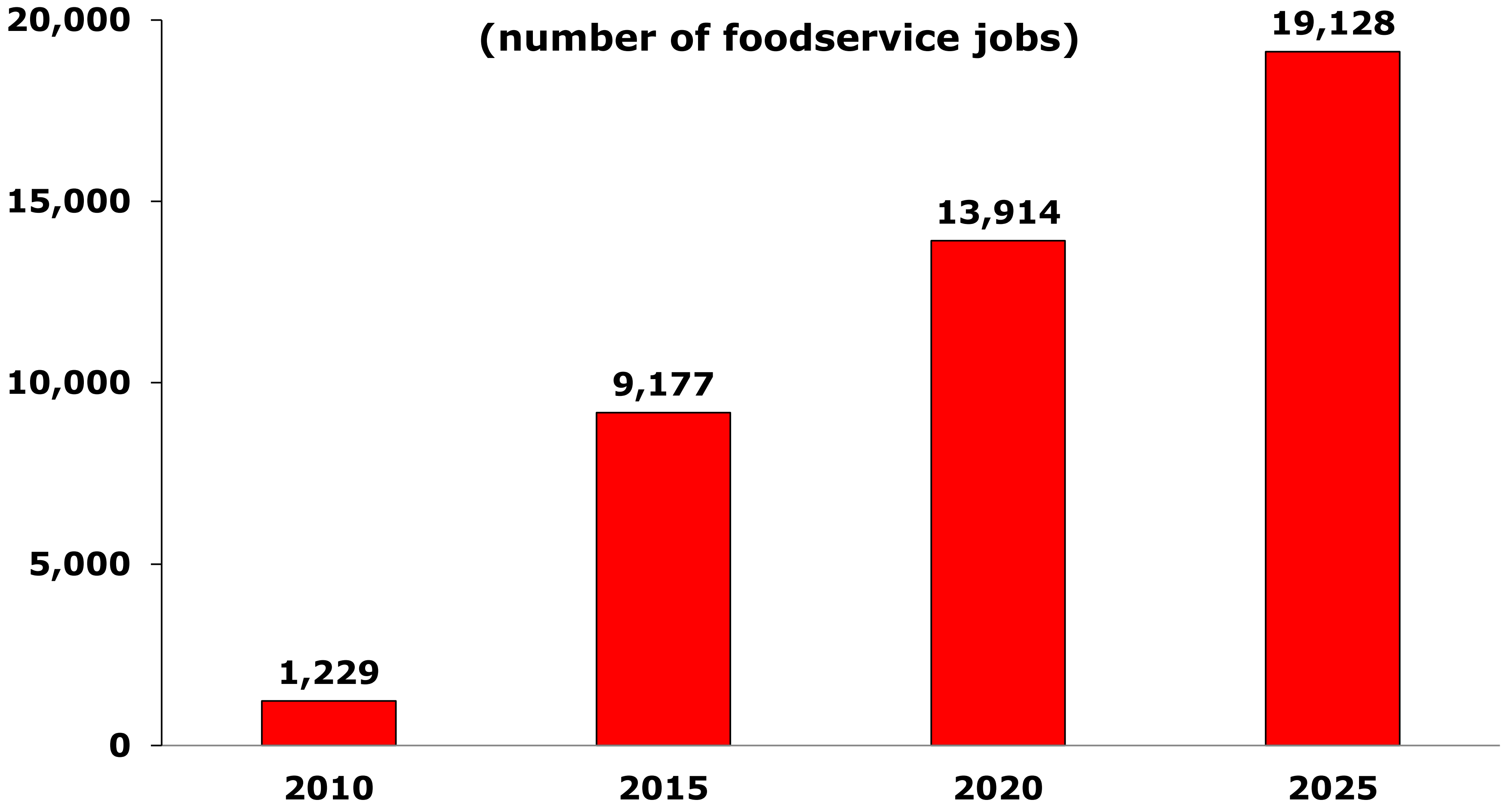
SOURCE: Statistics Canada (Commercial foodservice)
Based on data for the first half of 2011.

Operator Issues – Canada



Q: What issues, if any, are currently having a negative impact on your business?
SOURCE: CRFA's Restaurant Outlook Survey

Labour Shortages – Alberta



SOURCE: Canadian Tourism Human Resource Council

Today's Presentation

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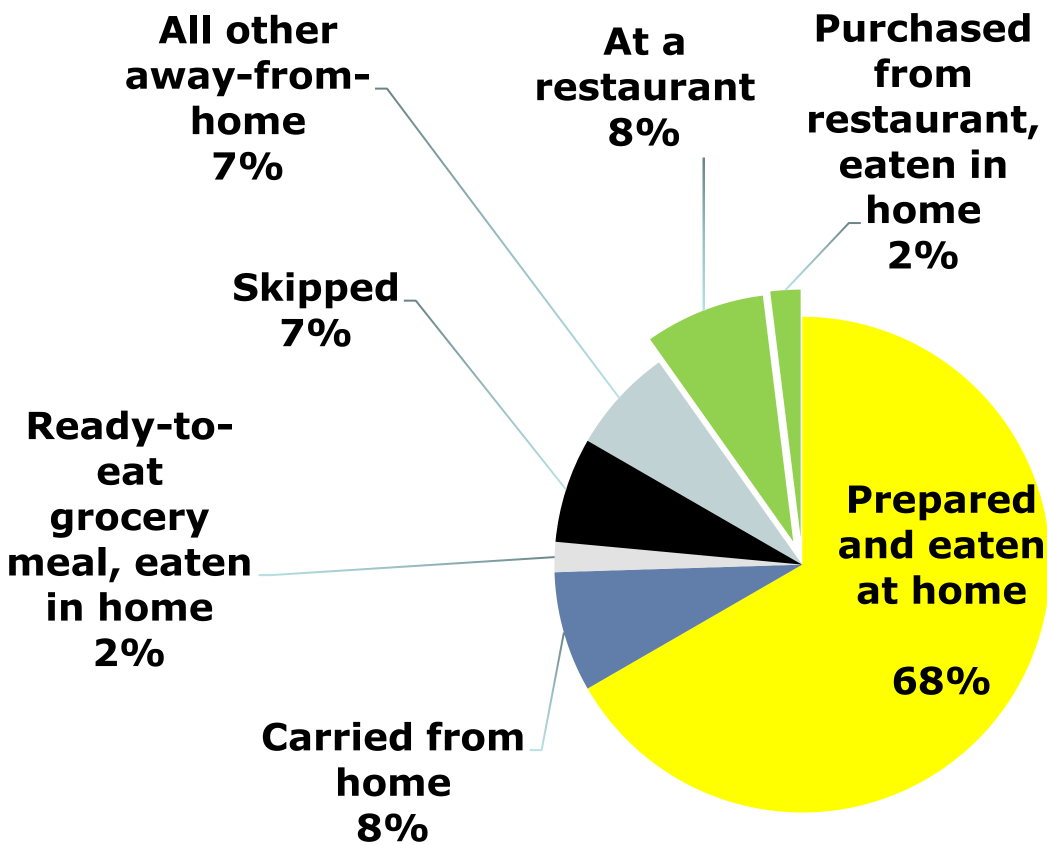
Where Canadians Source Their Meals

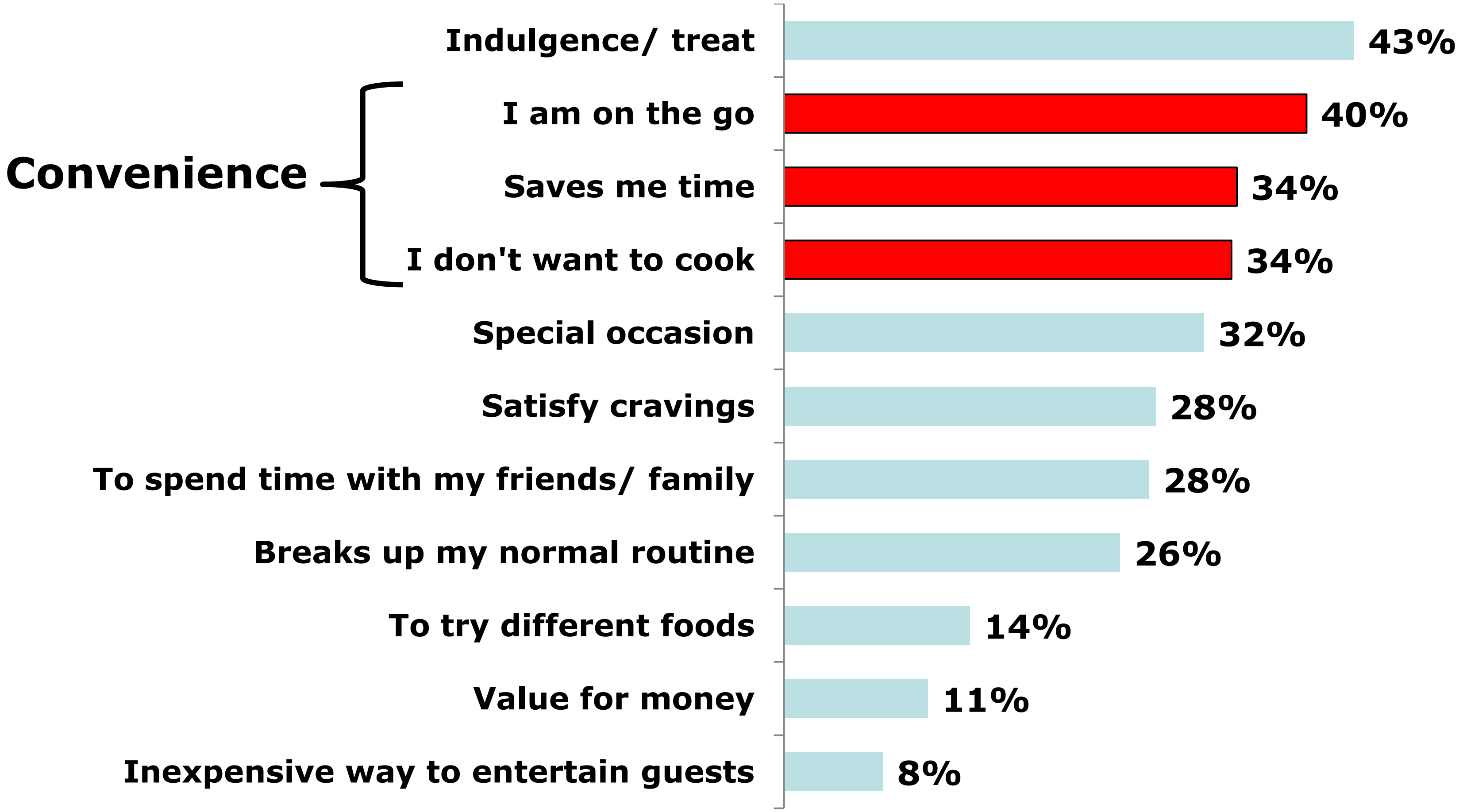


SOURCE: The NPD Group/National Eating Trends Canada, YE March 2010

Favourite way to spend time with family and friends

1. Going out to a restaurant
2. Outdoor activities
3. Movie theatre
4. Shopping
5. Concert or other event
6. Bar or pub
7. Sporting event
8. Cultural site

Why Canadians Eat Out



SOURCE: Ipsos/Kraft (% of respondents including this answer in their top 3 reasons)

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Traffic by Daypart – Alberta

	Market Share
Breakfast/Brunch	13%
AM Snack	10%
Lunch	28%
Afternoon Snack	14%
Supper	26%
Evening Snack	9%
Total	**100%**

SOURCE: The NPD Group Inc.\Foodservice\CREST®\Alberta\YE May 2011

Traffic by Daypart – Alberta

	Market Share	2011 over 2010 Growth
Breakfast/Brunch	13%	9.6%
AM Snack	10%	12.8%
Lunch	28%	2.3%
Afternoon Snack	14%	9.5%
Supper	26%	0.6%
Evening Snack	9%	-5.8%
Total	100%	3.8%

SOURCE: The NPD Group Inc.\Foodservice\CREST®\Alberta\YE May 2011

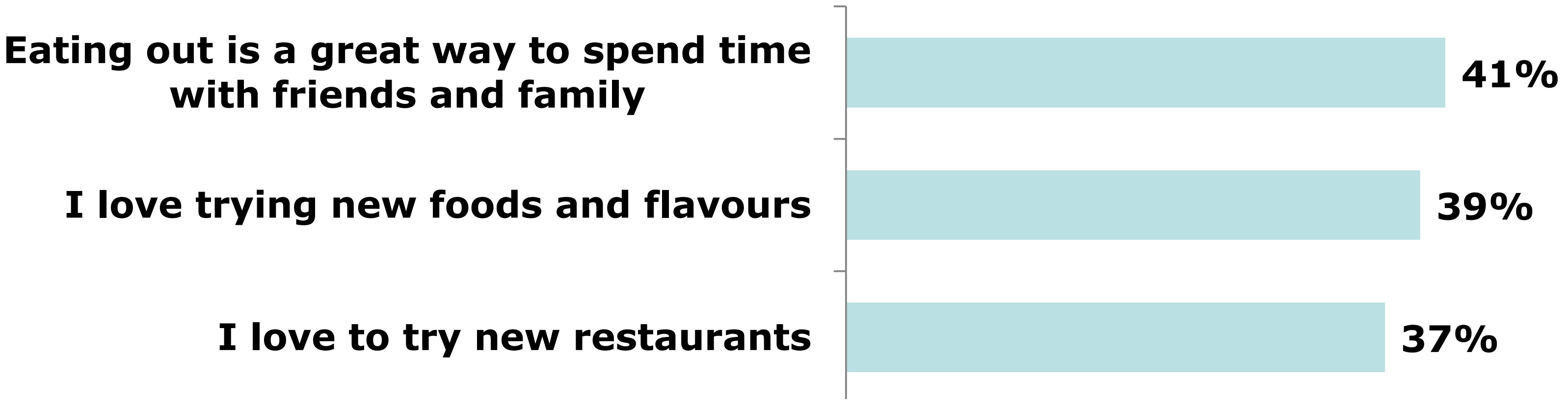
Traffic by On/Off Premise – Alberta

	Market Share
On Premise	**43%**
Off Premise	**57%**
Carry Out	**36%**
Drive Thru	**19%**
Delivery	**2%**
Total Commercial	**100%**

SOURCE: The NPD Group Inc.\Foodservice\CREST®\Alberta\YE May 2011

But it’s about more than convenience…

(Canadians strongly agreeing with each statement)



SOURCE: Ipsos/Kraft

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NPD's Full-Service Restaurant Dining Report

- < 10% of consumers motivated by deals and discounts.

Food quality

Taste

Menu diversity

NPD’s Full-Service Restaurant Dining Report

- 76% are “adventurous” diners
- 73% want more variety on menus
- 70% would order ethnic-inspired dishes more frequently, if available

NPD's Full-Service Restaurant Dining Report

Top 5 Ethnic Influences

1. Italian
2. Thai
3. Greek
4. Chinese
5. Japanese

Today's Presentation

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CRFA'S 2011 Chef Survey

- Survey of more than 500 Canadian chefs
- Conducted in partnership with Canadian Culinary Federation
- Identify hot trends, up-and-coming trends, yesterday's news and perennial favourites

Chef Survey - What's Hot for 2011

1. Locally produced food and locally inspired dishes
2. Sustainability
3. Nutrition and health
4. Organics
5. Simplicity/back-to-basics
6. Gluten-free/food allergy conscious
7. Craft beer/microbrews
8. Artisanal cheeses
9. Bite-size/mini desserts
10. Quinoa/Ancient grains

SOURCE: CRFA's 2011 Canadian Chef Survey

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Chef Survey - Up and Coming

1.	Gluten-free beer
2.	African cuisine
3.	Red rice
4.	Organic wine/beer/liquor/cocktails
5.	Peruvian cuisine
6.	New/fabricated cuts of meat
7.	Cooking with tea
8.	Beer sommeliers/Cicerones
9.	Culinary cocktails
10.	Traditional ethnic desserts

SOURCE: CRFA's 2011 Canadian Chef Survey

Chef Trends - Perennial Favourites

1. Chocolate desserts
2. Cold appetizer salads
3. Fresh fruit
4. Classical desserts
5. Pie
6. Tuna
7. Aged meats
8. Carbonated beverages/soft drinks
9. Barbeque items
10. Marinades/rubs

SOURCE: CRFA's 2011 Canadian Chef Survey

Top 10 Foods – Alberta

	Incidence
1. French fries	17%
2. Chicken/poultry entrees	14%
3. Burgers	13%
4. Salads	8%
5. Pizza	6%
6. Chinese/Cantonese/Szechwan	6%
7. Donuts	6%
8. Breakfast sandwich	6%
9. Hot chicken sandwich	5%
10. Soup	4%

SOURCE: The NPD Group Inc.\Foodservice\CREST®\Alberta\YE May 2011

Top 10 Beverages – Alberta

	Incidence
1. Hot coffee	26%
2. Carbonated soft drinks	22%
3. Tap water	6%
4. Alcoholic beverages	6%
5. Juice	5%
6. Hot tea	5%
7. Iced tea	4%
8. Milk	4%
9. Bottled water	4%
10. Iced/slush/frozen coffee	3%

SOURCE: The NPD Group Inc.\Foodservice\CREST®\Alberta\YE May 2011

Summary

- Restaurants are an important and growing part of the Alberta economy
- Alberta is leading the way in foodservice sales
- There is room to grow the market
- "*Spending* time" and "*saving* time" are key consumer drivers

For more information

www.restaurantcentral.ca

www.crfa.ca