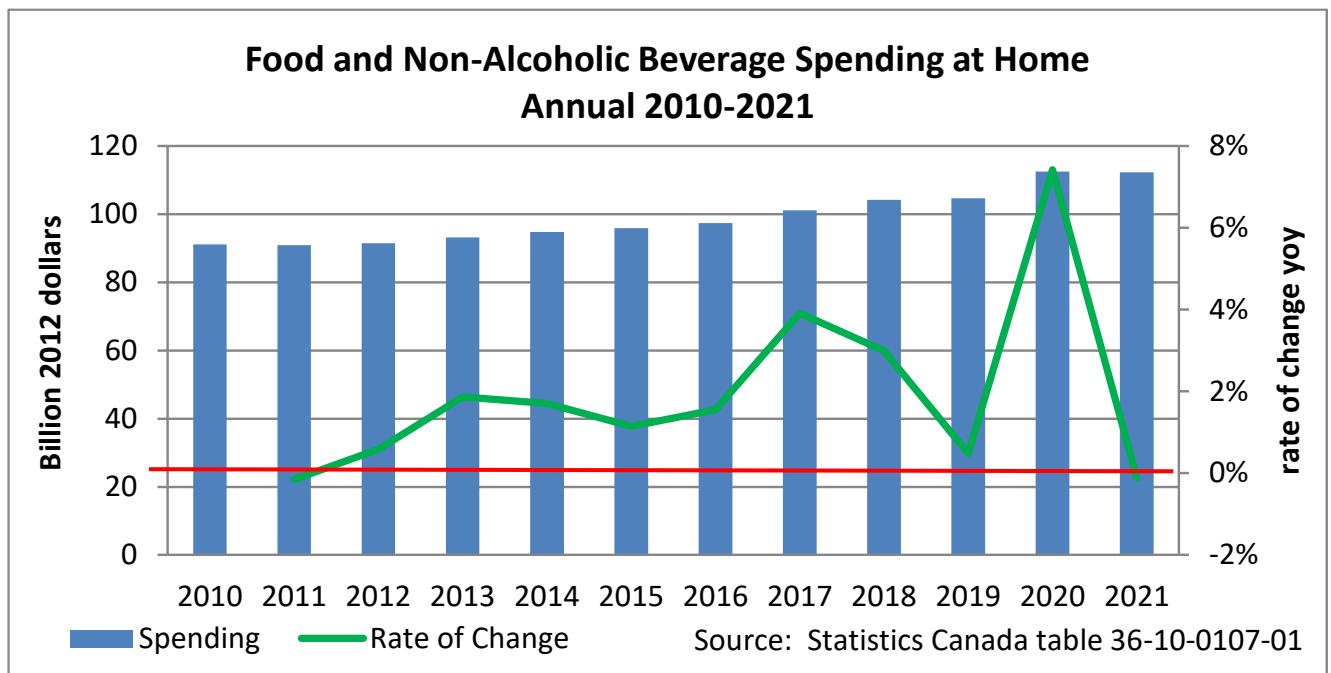




2021 Consumer Expenditures at Grocery and Foodservice

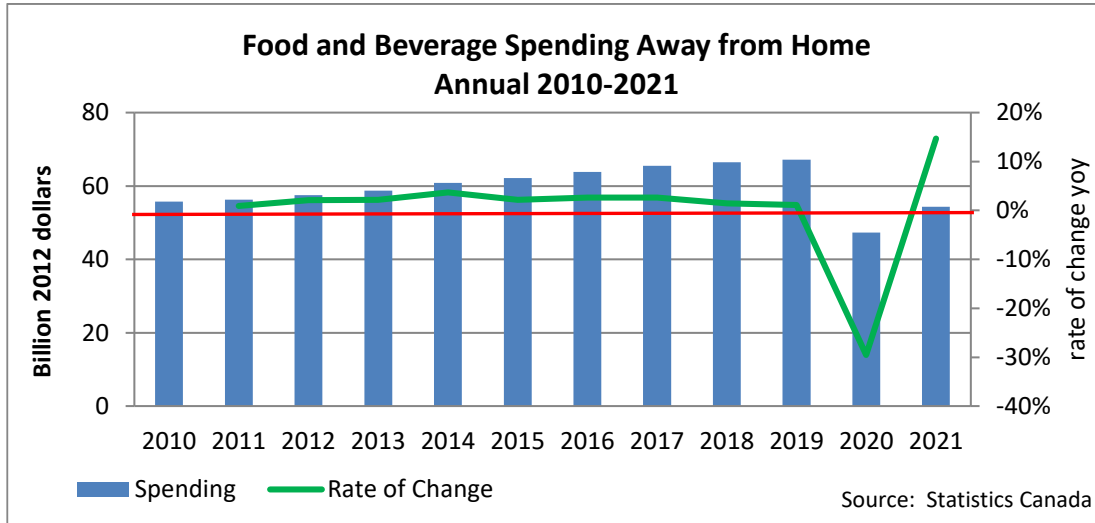
Statistics Canada’s data set entitled “Household final consumption expenditure,” shows that for all of 2021, Canadian expenditures on food and non-alcoholic beverages at home was \$112.3 billion in chained 2012 dollars¹. That total was about steady with 2020. Note that 2020 saw a big increase in year over year expenditures of 7.4%. The normal rate of increase between 2011-2019 was 1.6%. Of course, the reason for the big increase in food and beverage consumption at home in 2020 was the government lockdowns of the foodservice sector. In addition, due to the COVID pandemic, consumers were more inclined to in-home cooking and dining.



¹ Chained dollars is a method of adjusting real dollar amounts for inflation over time, to allow the comparison of figures from different years.

Foodservice

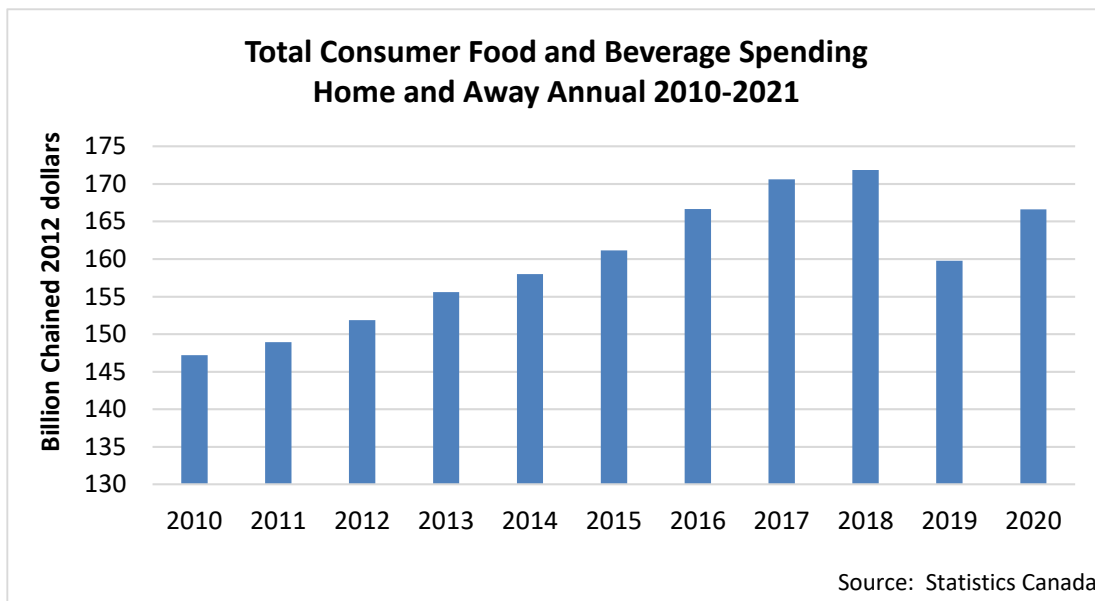
Regarding the foodservice sector, the StatsCan data shows that 2021 consumer expenditures on food and beverage services away from home was \$54.3 billion in 2012 dollars. That was an increase of 14.7% versus 2020.



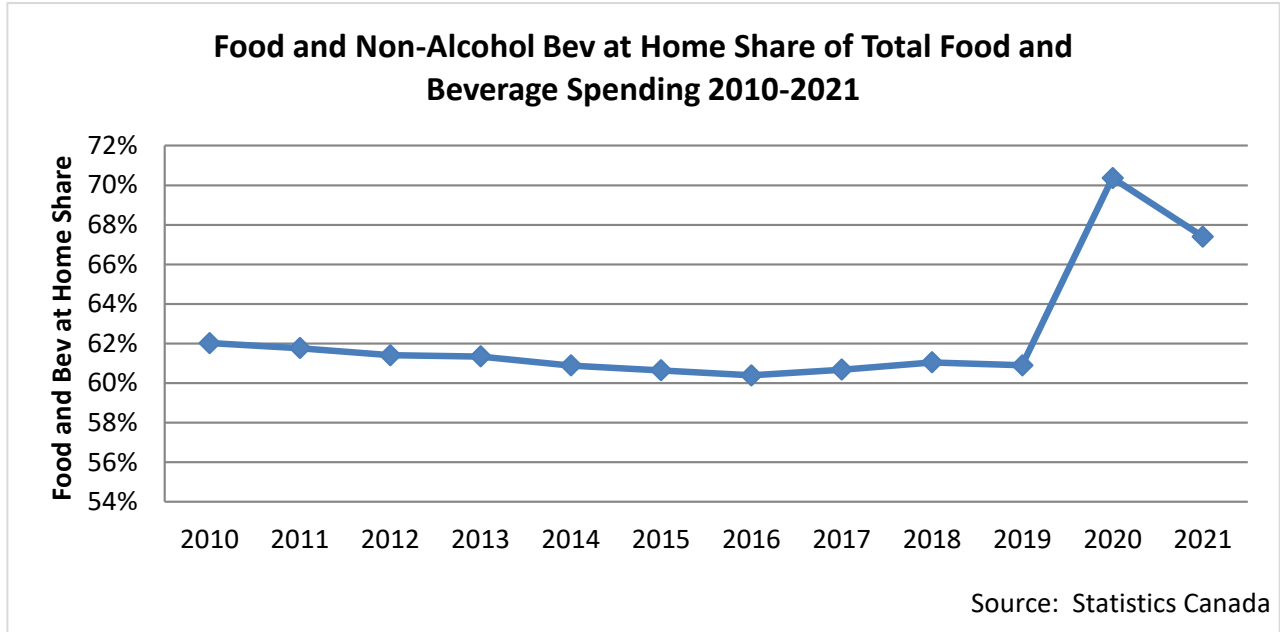
While 2021 saw a solid increase in expenditures over the even more locked-down 2020, it was far off the 2019 total of \$67.2 billion. The 2020 decline was nearly 30%, as shown on the graph above.

Total Spending Not Recovered

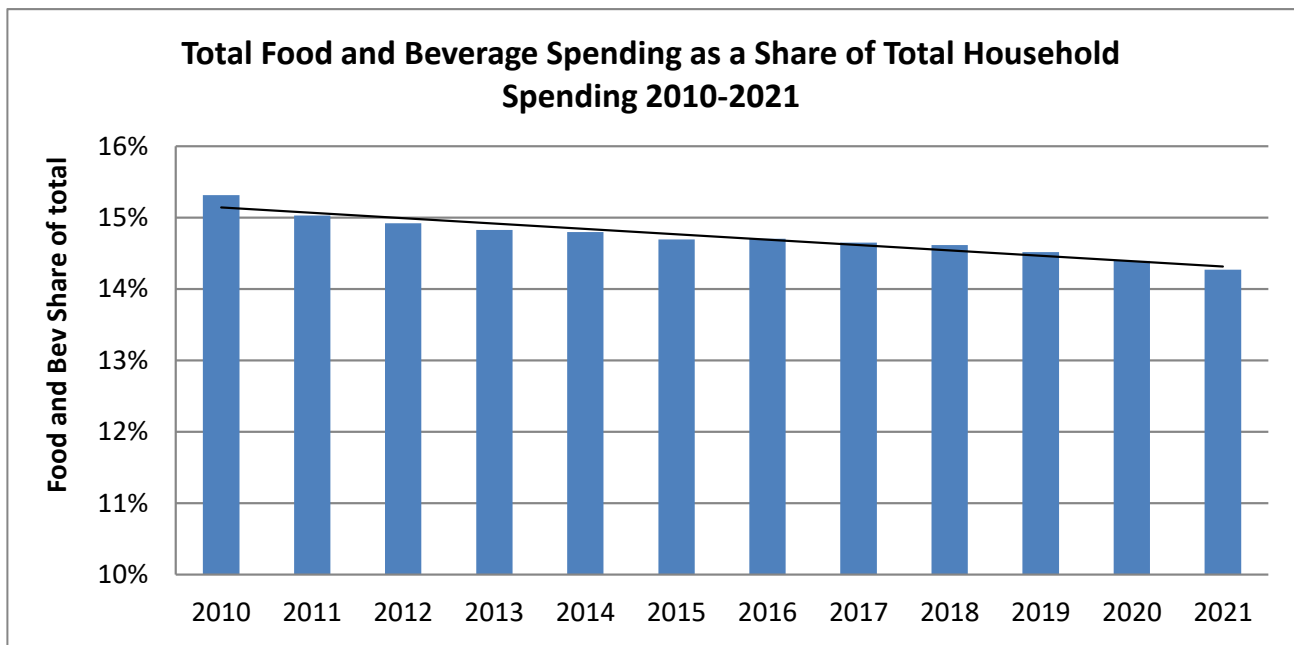
Total food and beverage spending at both home and away in 2021 was \$166.6 billion in chained 2012 dollars. That was a four percent increase over 2020. The total change in 2020 compared to 2019 was down 7%. That total decline in 2020 of course means that the increased spending for food at home did not match or exceed the decrease at foodservice. That is not surprising because of the extra expense of restaurant food given the added service costs.



Food and non-alcoholic beverage at home spending traditionally amounts to about 60-62% of total food and beverage spending. Not surprisingly in the last two years that has bounced much higher with the government shutdowns. As lockdowns eased slightly in 2021 the food at home share declined but remained far above normal levels.



It is of interest to note that the COVID had no impact on the longer-term trend in food spending as a share of total spending. Total food and beverage spending at home and away amounted to just over 14% of total consumer spending in 2021. That compares to a 15.3% share in 2010. The share has been steadily declining.



Why it Matters.

Even post-lockdowns, the foodservice industry was going to be hard pressed to return to normal. A certain subset of consumers will be reluctant to venture out due to concerns about the COVID. With that said, a bigger challenge for foodservice is inflation. That is not just because menu prices going to seem daunting for customers. Perhaps more important is the fact that the costs of all consumer goods, particularly gasoline will take a bigger share of the consumer dollar. Consumers will be forced to cut back on some spending, and restaurant visits will be a key consideration.

A version of this article first appeared in the February edition of Grocery Trade Report. If you would like a free trial subscription, please email kevin@kevingrier.com