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**Prepared By:** Aurela Delibashi

**Approved By:** Tyler Babcock

**Report Highlights:**

Canada is the largest overseas market for U.S. high-value, consumer-oriented products, with exports reaching \$20.4 billion in 2023 – representing a 2 percent growth from 2022. Canada's retail market is mature and largely consolidated, with five retailers comprising nearly 80 percent of the total retail grocery market. The remainder of the market is represented by smaller regional retail chains that include over 6,500 independents and 25,000 small and independent convenience stores.

**Executive Summary:**

Canada is a high-income country and in 2023, Canada’s GDP reached \$2.1 trillion, positioning the country as the 10th largest economy in the world and a strategic trade partner for the United States. Canada is a major producer of food and ag products and a leading player in the global marketplace. In 2023, Canada was the top market for U.S. agricultural and ag-related exports at \$33 billion.

**Consumer-Oriented Agricultural Imports**

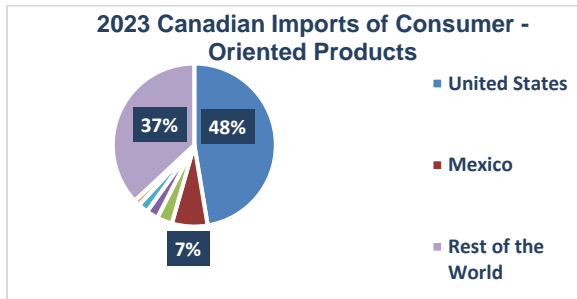


Chart 1: Top Exporting Countries to Canada

**Food Retail Industry:**

Canada’s food retail sales reached \$118 billion in 2023. Canada’s retail market is mature and consolidated with five leading retailers – three traditional grocers and two general merchandisers – commanding 80 percent of the market. The remainder of the market is represented by smaller regional retail chains, including over 6,900 independents and 27,000 small and independent convenience stores.

**Food Processing Industry:**

Canada’s food processing industry is comprised of 8,500 establishments; approximately 92 percent of them are small companies with less than 100 employees. Food processing value of production reached \$156 billion in 2022.

**Food Service Industry:**

Canada’s food service sales reached \$85 billion in 2023. The growth forecast for 2023 is projected to be three percent, which reflects a stabilization of the market after covid-related slowdowns in 2020-2022. Inflation and labor shortages continue to be challenges facing the market.

**Quick Facts CY 2023**

**Imports of Consumer-Oriented Products**  
\$35 billion

**List of Top 10 Growth Products in Host**

**Country**

- |                           |                         |
|---------------------------|-------------------------|
| 1) Savory snacks          | 2) Non-alcoholic bev    |
| 3) Ready-to-drink bev     | 4) Baked goods          |
| 5) Prepared meals         | 6) Protein substitutes  |
| 7) Nuts, seeds, and mixes | 8) Prepared salads      |
| 9) Dried fruits           | 10) Frozen fruits & veg |

**Food Industry by Channels (U.S. billion)**

Retail Food Industry	\$118
Food Service-HRI	\$85
Food Processing	\$156
Food and Agriculture Exports	\$55

**Top 10 Host Country Retailers** (by sales)

- |                         |                   |
|-------------------------|-------------------|
| 1) Loblaws (28 percent) | 2) Sobeys (19)    |
| 3) Metro (11)           | 4) Costco (9)     |
| 5) Walmart (8)          | 6) Overwaitea (4) |
| 7) Co-ops (3)           | 8) Couch-tard (2) |
| 9) North West Co (1)    | 10) Dollarama (1) |

**GDP/Population**

Population (*millions*): 38.9  
 GDP (*billions USD*): \$2,140  
 GDP per capita (*USD*): \$53,300

**Sources:** *Canadian Grocer, Trade Data Monitor, Statistics Canada and Euromonitor International*

**Strengths/Weaknesses/Opportunities/Threats**

<b>Strengths</b>	<b>Weaknesses</b>
- Well-established market with modern distribution channels - Relatively high consumer disposable income levels	- Strong U.S. dollar - Consolidated retail sector - High inflationary pressure
<b>Opportunities</b>	<b>Threats</b>
- Strong consumer demand for value, high-quality - U.S. products enter duty free under USMCA	- High level of competition from U.S., domestic, and third-country suppliers - Strong “buy local” programs

## Section 1: Market Summary

Canada, the second-largest country by surface area, is home to a highly concentrated population, with over 80 percent of Canadians residing in its 15 largest cities, making urban centers the epicenters of retail and economic activity. As of 2022, Canada's population reached 38.9 million, growing at a modest compound annual growth rate of 1.2 percent over the past decade (2013–2023). The country's population is poised for significant growth, largely driven by the government's ambitious immigration targets, which aim to welcome 500,000 new immigrants annually through 2025 according to the data obtained by the [Government of Canada webpage](#). With its dynamic population growth and increasing urban concentration, Canada's cities are set to become even more crucial hubs for retail and economic development, as both immigration and regional expansion drive future trends.

As larger grocery banners focus their efforts on population-dense areas, smaller communities are serviced by smaller format retailers as well as independent and specialty retailers. While sophisticated, transportation logistics across such a large country can be relatively expensive moving east to west. Product distribution channels routinely flow north to south, reinforcing the importance of imports from U.S. suppliers. The retail market in Canada showed notable growth in 2023, despite the challenges posed by the high rate of inflation, supply chain disruptions, retail code of conduct, and a federal inquiry on food inflation. Canadian consumers continue to spend on both essential and non-essential goods, while also looking to save money in a challenging economic environment. In 2023, Canada's food and alcoholic beverage retail sales reached \$118 billion USD, including alcohol sales of \$20 billion – a notable 5 percent increase from the previous year compared to the modest 2 percent we witnessed in 2022 vs. 2021. The Canadian retail market is highly consolidated, and in recent years, the industry's concentration has increased, with five major retailers commanding nearly 80 percent of grocery retail sales.

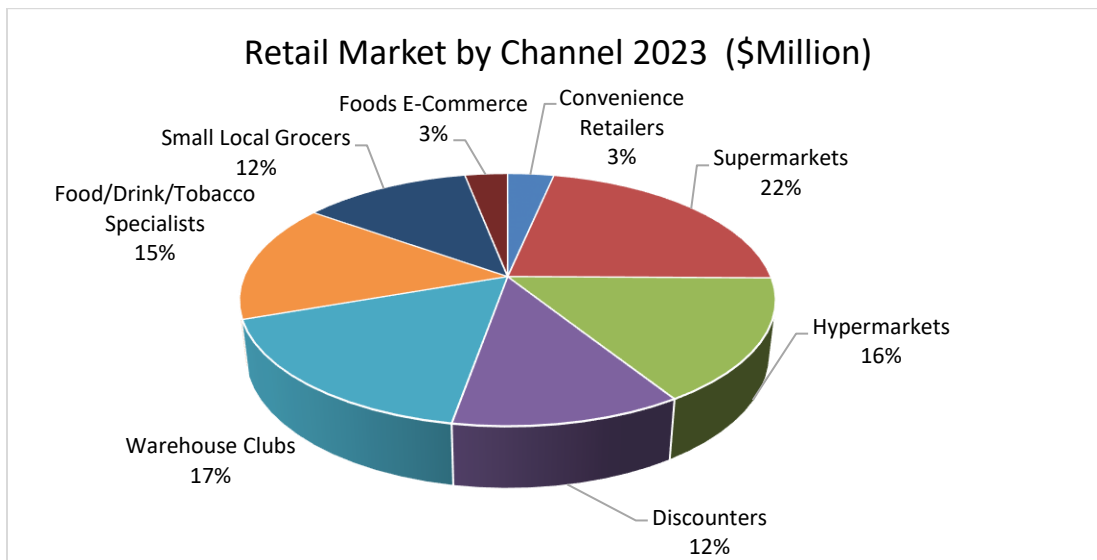
The [Competition Bureau Retail Grocery](#) market report stated that in 2022, Canada's three largest grocers—Loblaws, Sobeys, and Metro—collectively reported more than 75 billion USD in sales and earned more than 2.7 billion USD in profits. Loblaws and Sobeys have stores nationwide; Metro operates only in Canada's two largest provinces: Ontario and Quebec. All three companies have over 1,000 stores each, including franchised locations. Costco and Walmart are the next largest grocers in Canada. While both companies have different business models and sell more than just food, they compete with Loblaws, Sobeys, and Metro for grocery sales. According to the [Canadian Federation of Independent Grocers](#), about 6,900 independent grocery stores exist in Canada. Independent and Specialty stores differentiate their offerings from the major retailers by focusing on [imported and international food](#).

### Advantages and Challenges

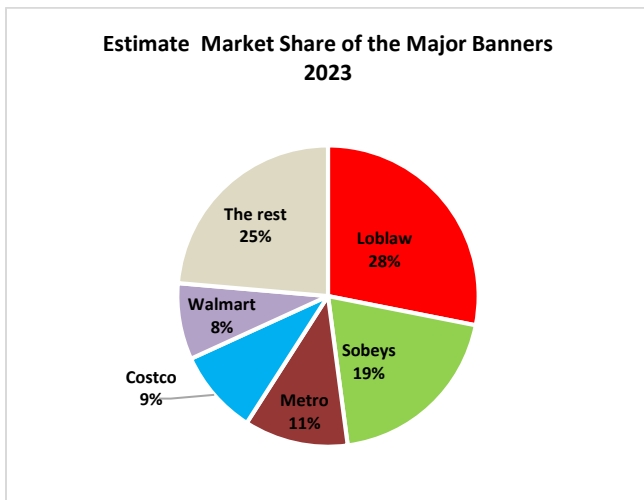
ADVANTAGES	CHALLENGES
On average, Canadian consumers have high disposable income, coupled with a growing interest in premium, high-quality products, and global cuisine.	Sophisticated selection of products already available on Canadian store shelves

Geographic proximity reduces transportation costs.	Geographic scale of Canada and costly shipping from East-West / coast-to-coast
U.S. food products are generally aligned with Canadian tastes and are familiar to Canadian consumers.	Bilingual (English and French) labeling, differences in nutrition fact panels, and other labeling requirements
Canada's ethnically diverse population exposes Canadians to increasingly diverse flavors and cuisines.	A stronger U.S. dollar makes competitive pricing challenging, especially in specialty foods
Strong demand for natural, organic, gourmet, and specialty food products.	Differences in chemical/residue tolerances, as well as food standards, may require special production runs
Duty-free, tariff-free treatment for more than 98 percent of U.S. products under USMCA (entered into force July 1, 2020).	Tariff rate quotas apply for supply-managed commodities, dairy, poultry, and eggs
Food service operators rely on imported fruits and vegetables year-round.	Strong “buy local” movement across Canada
Well-established financial institutions and trading relationships.	Differences in standard package sizes and units of measurement (metric vs. imperial)
<a href="#">AIRS</a> , <a href="#">Industry Labelling Tool</a> , and <a href="#">National Import Service Centre</a> provide regulatory guidance to facilitate trade.	Retailers and distributors often prefer working through a Canadian broker

### Retail Sales by Channel



Source: Euromonitor



Source: Who's Who Report (Canadian Grocer), Retail Grocery Market Study Report (Competition bureau), Sobeys/Costco/Loblaw/Walmart 2022 Annual Financial report, Stats Canada

In 2023, high inflation significantly impacted disposable income, prompting Canadian consumers to adjust their shopping habits and prioritize better-priced channels, such as discount retailers and supermarkets. Additionally, there was a marked increase in consumer interest in private label products as many private labels are more cost effective relative to branded products. Supermarkets in Canada faced several notable challenges throughout the year, including escalating prices, labor challenges, potential recessionary concerns, and supply chain disruptions. These factors tested the loyalty of Canadian consumers, many of whom now frequently shop across multiple retailers to meet their needs effectively. As a result, consumers are cutting back on non-essential purchases and becoming increasingly price-sensitive. Nonetheless, the supermarket channel continued to register growth at the end of the review period, largely fueled by higher prices.

To keep their shelves stocked and introduce innovative products, Canadian retailers increasingly rely on imported foods. Canada boasts a sophisticated and integrated food supply chain, supported by numerous large U.S. food manufacturers. Furthermore, small to medium-sized food companies have developed excellent warehousing and distribution channels to bring new products to retail stores.

## Key Marketing Drivers and Trends

**Healthy Eating and wellness trend - Plant-Based Diets & Alternative Proteins:** Health and environmental consciousness are driving the demand for plant-based products in 2023. For many Canadians, particularly within the aging population and Gen-Z consumers, health is the foremost concern. The concept of healthy living has evolved beyond mere medical health to encompass food, exercise, mental well-being, and broader lifestyle choices, with food and supplements increasingly intertwined. In this context, food is increasingly recognized as the new medicine, prompting companies to seize the opportunity for growth. Plant-based dairy products are maintaining a strong growth trajectory into 2023.

**Grocery Code of Conduct:** In July 2024, Canada's federal government announced that "all major retailers" have agreed to adopt the upcoming [grocery code of conduct](#). This code, which has been in development since 2021, aims to address critical issues within the retail sector, including arbitrary fees, unexpected cost increases, and delayed payments. The primary objectives of the grocery code are to enhance transparency and clarity among partners, improve practices throughout the supply chain, and encourage ethical dealings within the industry. The grocery code of conduct is expected to take effect on **June 1, 2025**.

**Plastic Regulations:** In April 2024, Canada introduced the Federal Plastics Registry, a significant step toward improving the transparency of plastic usage across the country. Starting in 2025, businesses will be required to report annually on the quantity and types of plastic they introduce to the market and how those materials circulate through the economy. This registry represents a key initiative in Canada's broader strategy to reduce plastic waste and promote sustainability. Looking ahead, new draft regulations are expected later in 2024. These regulations will likely focus on several critical areas, including mandatory minimum recycled content for plastic packaging, clearer labeling for composability and recyclability, and specific reduction targets for plastic use, particularly in food packaging, such as fresh produce. Once released, these proposals will be open for public consultation, providing an important opportunity for stakeholders to share their input. Given the potential impact on packaging standards, especially for U.S. manufacturers exporting goods to Canada, it is essential to monitor these developments closely. For more information, please refer to the [GAIN FAIRS Country report](#).

**Loyalty programs continue to drive consumer decisions in 2023 and beyond:** In today's landscape of rising grocery prices—where the cost of grocery prices had surged by nearly 5-7 percent over the last year, according to [Canada's Food Price Report \(CFPR\)](#)—loyalty programs have become a significant factor influencing consumer decisions. Most major grocery retailers now offer these programs, allowing customers to earn points or rewards that can be redeemed for groceries and other products. Many programs extend beyond a single retailer, providing customers the opportunity to earn rewards by shopping at partner stores. For instance, Loblaw's PC Optimum program spans a wide network, including its grocery stores and Shoppers Drug Mart (or Pharmaprix in Quebec), maximizing the potential for consumers to earn points. [Competition Bureau](#) survey data reveals the influence of loyalty programs on shopping behavior. About three in five Canadians (61 percent) report that they are more likely to shop at stores where they can earn rewards points. Furthermore, the data shows that these programs are especially popular among women and play a greater role in the purchasing decisions of immigrants.

**Canadian retailers under strong pressure from government to reduce prices:** Canadian retailers are facing increasing pressure from the government to address rising food prices. Concerns over the cost of living and inflation continued to affect many Canadians in 2023, particularly those in low-income and vulnerable groups. The government's focus has shifted to food prices, which, according to [Canada's Food Price Report \(CFPR\)](#), increased by 7 percent over the past year. The report also noted that an average family of four spent an additional \$819 USD (1,065 CAD) on groceries in 2023 compared to 2022. In September 2023, the Agriculture Committee, responding to public concerns, requested that the heads of Canada's major grocery chains appear before Members of Parliament to explain their strategies for stabilizing food prices. The government emphasized that failure to offer real relief to consumers could lead to potential punitive taxes on the grocery sector. This call for action, driven by public

criticism, followed reports of record profits by many grocery chains during the pandemic, leading to concerns about profiteering. In response, grocery retailers have made a significant commitment to work closely with the government. They have agreed to introduce measures such as offering more discounts, freezing prices, and launching price-matching campaigns. This situation highlights the delicate balance Canadian retailers must strike between maintaining profitability and addressing consumer needs in an inflationary environment, all under the watchful eye of both the government and the public.

**Expansion Sales and Distribution channels in Ontario:** Ontario, Canada's largest province, has unveiled plans to significantly expand consumer access to alcoholic beverages by allowing additional convenience and retail stores to sell beer, wine, ready-to-drink (RTD) alcoholic beverages, and cider/perry starting September 5. This expansion will grant 4,187 convenience stores the ability to sell beer, cider, wine, and RTD beverages such as coolers, hard seltzers, and pre-mixed cocktails. These newly licensed stores join the existing network of approximately 3,000 licensed retailers across the province, including LCBO outlets, grocery stores, and takeout options from bars and restaurants, further diversifying the channels through which consumers can purchase alcohol.

**Alcoholic Beverage category:** Overall alcohol consumption is declining in Canada, accompanied by a growing social acceptance of non-drinkers. According to a report by [Retail Insider](#), sales figures reveal a downward trend of alcohol consumption across several provinces: Ontario experienced a 2.0 percent decline, Quebec saw a 2.5 percent drop, and Alberta faced a significant 15 percent decrease. Other provinces such as Nova Scotia (-4.2 percent), Manitoba (-6.7 percent), and British Columbia (-4.9 percent) also reported notable reductions in alcohol sales. In 2023, Canada imported \$3.5 billion worth of alcoholic beverages globally, marking a 13 percent decrease from the previous year. The United States remains Canada's largest import market, with \$743 million in spirits, wine, and beer, followed by France at \$649 million and Italy at \$514 million.

## Section 2: Road Map for Market Entry

To facilitate initial export success, FAS/Canada recommends the following steps when entering the Canadian market:

- Contact an international trade specialist through your state department of agriculture;
- Thoroughly research Canada's competitive marketplace;
- Locate a Canadian partner to help identify valuable Canadian accounts; and
- Learn Canadian government standards and regulations that pertain to your product.

For more information on these steps, please consult the FAS/Canada [Exporter Guide](#) and contact FAS/Canada offices in Montreal, Ottawa, and Toronto to obtain customized support and a further detailed guide for targeting the retail sector in Canada.

U.S. companies need to assess their "export readiness" before entering the Canadian market. This includes determining how well-established their brand is in the United States and if the company currently has available resources and staff capacity to launch a product in Canada. Once the product is on the store shelf, all companies should focus on achieving realistic targeted sales levels. This will allow their products to acquire sales momentum and help to broaden distribution and maintain long-term success in the market.

Continue by reviewing the latest FAS/Canada Food and Agricultural Import Regulations and Standards Report ([FAIRS Report](#)) to understand relevant Canadian import requirements. The Canadian Food Inspection Agency (CFIA) provides extensive [programs and services](#), including a [Guide to Importing Food Products Commercially](#). The CFIA [Automated Import Reference System](#) (AIRS) helps businesses identify the appropriate Harmonized System (H.S.) codes and the import requirements for their products. The Canadian [National Import Service Centre](#) can guide U.S. exporters through compliance questions and help facilitate cross-border shipments. FAS/Canada recommends that first-time exporters engage a [Canadian customs broker](#), as 80 percent of all shipments into Canada are handled and cleared by an appointed custom broker.<sup>1</sup>

The bulk of Canadian food imports are imported directly by a large importer, broker, distributor, or wholesaler; perishable items and multinational food companies ship directly to a national retail chain distribution center, with a smaller portion being sold through terminal markets for independent retailers. Unlike in the United States, retail category buyers from the larger chains can rely on food brokers, distributors, and importers to identify new products. More importantly, they also rely on these intermediaries to manage the relationship with U.S. companies and to guide U.S. companies through required compliance steps, the nuances of the Canadian retail market, and the development of promotional strategies to help sell the product in Canada.

While distributors can sell some select brands, they typically oversee several hundred SKUs and handle products where inventory will turn over quickly. On the other hand, brokers are focused on managing the product's brand and retail account relationships. Most brokers will handle between 10 to 25 brands at a time unless they are a national firm. Brokers will focus on establishing the distribution network and developing new retail accounts. Often, they are in a better position to give companies the required sales attention needed to develop established long-term sales. Average commission fees usually range around five percent. It is not unusual for the broker to request a retainer fee for new accounts, as much time is spent on promoting the brand to new accounts. Once sales targets are achieved, brokers typically transition to commission-based fees.

When targeting the Canadian market, it is essential to keep the following facts in mind: Canada is a small and mature market with a much smaller consumer base, roughly one-tenth of the United States. Accessing a smaller Canadian consumer base can be expensive as major population groups are concentrated in cities that are spread out along the vast U.S.-Canada border. There are typically three major geographic regions to consider: Ontario, Quebec, and British Columbia. For companies looking to launch on a smaller scale, a more manageable approach would be to focus on one province (or even city) at a time.

Attending Canadian trade and consumer shows can help U.S. exporters better understand the market. A partial list of Canadian trade shows can be found [here](#). USDA endorses [SIAL Canada](#), the largest food trade show in Canada. FAS/Canada works with [State Regional Trade Groups](#) (SRTG) to administer [USDA Market Access Program](#) funding to those U.S. companies that qualify. Once a U.S. firm qualifies with its regional SRTG, then some of its trade show expenses will be partially reimbursed.

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<sup>1</sup> A “customs broker” works with Canada Border Services Agency to clear goods at the border. A “food broker” serves as an in-country sales representative for a U.S. company exporting to Canada.



### Section 3: Competition

As a mature market with a highly integrated supply chain, much of the competition for Canadian market share is with other U.S. and Canadian food products already established in the market.

**Table 1: Canadian Imports of Consumer-Oriented (C.O.) Products** (in Million U.S. Dollars)

Year	CO Imports - Global	*CO Imports - U.S. Value	CO Imports - U.S. Share	Total Retail Food Sales
2020	\$29,139	\$16,525	57%	\$109,307
2021	\$31,784	\$17,585	55%	\$110,110
2022	\$34,773	\$19,195	55%	\$112,145
2023	\$35,017	\$19,672	56%	\$117,637

Source: Trade Data Monitor and Statistics Canada

Note: These data points slightly vary from other data points in this report because they reflect Canada's import data (i.e., Statistics Canada), rather than U.S. export data (U.S. Customs and Border Protection).

**Table 2: 2023 Imports of Leading Consumer-Oriented (CO) Products** (in Million U.S. Dollars)

Description	CO Imports Global \$	C.O. Imports U.S. Share		Leading Competitors
Bakery Goods, Cereals, & Pasta	3,785	2,724	72%	Italy, China, and Mexico
Soup & Other Food Preparations	2,242	1,864	83%	China, Mexico, and Taiwan
Fresh Vegetables	3,001	1,713	57%	Mexico, China, and Guatemala
Fresh Fruit	4,491	1,602	36%	Mexico, Guatemala, and Peru
Dog & Cat Food	1,330	1,180	89%	Thailand, China, and Italy
Dairy Products	1,574	975	62%	New Zealand, Italy and France
Chocolate & Cocoa Products	1,659	868	52%	Belgium, Switzerland, and Germany
Beef & Beef Products	1,377	864	63%	Australia, Mexico, and New Zealand
Pork & Pork Products	1,042	849	81%	Italy, Germany, and Denmark
Non-Alcoholic Bev. (ex. juices, coffee, tea)	1,199	831	69%	Switzerland, France, and Italy

Source: Trade Data Monitor

## Section 4: Best Product Prospects

In 2023, the top-selling product categories in Canada included baked goods at USD 8.6 billion, meals and soups at USD 7 billion, and savory snacks, which totaled USD 5.08 billion. According to Euromonitor, the dominant subcategory within baked goods has traditionally been "whole wheat." However, consumers are increasingly seeking alternative ingredients, such as oat flour-based, gluten-free, keto-friendly, and plant-based options. Looking ahead to the forecast period from 2023 to 2028, the baked goods category is expected to gradually decline due to rising prices and a health-conscious consumer base that prioritizes reduced-carb diets, particularly concerning regular white bread, whether leavened or flat.

The trend toward convenience is significantly boosting the popularity of meal kits in 2023, as retailers adapt to increasing demand. As consumers return to the workplace and navigate busier lifestyles, the need for convenient meal solutions has intensified, contributing to strong sales in meals and soups. The meal kit category is anticipated to continue thriving in 2024 and beyond, reflecting a broader shift towards convenient, ready-to-eat options.

Among the \$20.4 billion worth of U.S. consumer-oriented products imported into Canada, the leading agricultural categories included bakery goods, cereals, and pasta at \$2.8 billion, fresh vegetables at \$2 billion, and fresh fruits at \$1.7 billion.

**Table 3: Best Forecasted Growth Product Categories (2023 – 2028)**

Product Category	Sales Growth 2022 / 2023	5-year CAGR-Growth Forecast	Subcategories	Sales Growth 2022 / 2023
<b>Packaged Food</b>				
Cooking Ingredients & Meals	1.3%	3.7%	Chilled Meat and Seafood Substitutes	8.3%
			Frozen Meat and Seafood Substitutes	7.4%
			Prepared Salads	4.2%
			Frozen Soup	4.6%
			Chilled Pizza	1.9%
Snacks	3.4%	2.9%	Vegetable, Pulse, and Bread Chips	17.5%
			Fruit and Nut Bars	5.6%
			Nuts, Seeds, and Trail Mixes	8.2%
			Rice Snacks	6.6%
			Popcorn	5.2%
			Dried Fruit	3.8%
<b>Staple Foods</b>				
Baked Goods	5.2%	1.1%	Flat Breads	6.7%
			Cakes	3.1%
			Pastries	8.4%
Processed Fruits & Vegetables	2.1%	0.9%	Frozen fruits	5.2%
Pasta, Rice &	3.6%	1.6%	Pasta	3.3%

Product Category	Sales Growth 2022 / 2023	5-year CAGR-Growth Forecast	Subcategories	Sales Growth 2022 / 2023
Noodles			Rice	7.5%
Pet Food	9%	7.4%		
<b>Alcoholic and Non-Alcoholic Beverages</b>				
Beverages/ Soft Drinks	11%	3.9%	Soft Drinks	9%
			Bottled Water	10%
			RTD Coffee	13%
			Sports Drinks	14%
Alcoholic Drinks	3%	2.4%	RTD's	14%

Source: Euromonitor International

### Products with Positive Sales Potential

**Ready-to-Drink (RTD) and the Non-Alcohol Category:** In 2023, the Ready-to-Drink (RTD) category outperformed all other alcoholic segments, effectively offsetting declines in traditional alcohol consumption and sales, including beer, wine, and spirits. Meanwhile, Canada's non-alcoholic drinks category demonstrated robust volume growth. According to Euromonitor, trends such as "sober curious living" and "sobering down" reflect a significant shift in consumer behavior. Overall, alcohol consumption is decreasing, accompanied by a growing social acceptance of non-drinkers.

In response to these changes, companies are expanding their range of non-alcoholic options alongside their traditional offerings and investing heavily in RTDs, which are attracting new entrants to the market. The RTD category saw a remarkable 14 percent increase in sales from 2022, while non-alcoholic beverages gained an 11 percent increase in market share, as illustrated in Table 3. In 2023, Canada imported \$1.2 billion worth of non-alcoholic beverages globally, marking an 8 percent increase from the previous year. The United States emerged as Canada's largest import market for these beverages, with imports valued at \$831 million, reflecting a 13 percent rise from 2022.

**Ready meals:** The meal kit category—encompassing dinner mixes, prepared salads, and chilled ready meals—continues to demonstrate robust sales growth in 2023. These products, which typically have shorter shelf lives and boast added health benefits with clean labels, resonate with Canadian consumers increasingly focused on enhancing their immunity and digestive health. As illustrated in Table 3, prepared salads and frozen soups have shown notable growth within the packaged products sector, with increases of 4.2 percent and 4.6 percent, respectively. According to analysis from Euromonitor, this trend can be attributed to consumers feeling pressed for time, particularly as many organizations adopt hybrid or on-site work models. Meal kits offer a practical solution by alleviating the burden of extensive meal preparation, making these ready-to-eat options both economical and convenient for busy Canadians.

Looking ahead, the demand for convenience and intriguing flavors is expected to play a pivotal role in the continued growth of the industry. However, as economic pressures mount, consumers are likely to

reevaluate their spending habits, shifting away from high expenditures in the grocery food and beverage sector towards more budget-friendly options in food service, outdoor activities, and travel.

To sustain growth in the meals and soups category, new health-conscious product developments will be crucial. Innovations should focus on functional benefits and enhanced nutritional value, particularly with an emphasis on macronutrients and higher nutritional and natural value.

**Healthy snack category:** Health concerns related to obesity and an aging demographic are fueling demand for healthy snacks. Euromonitor reports that snacking has become a significant revenue stream for convenience retailers, as consumers increasingly seek nutritious, on-the-go options. In fact, savory snacks have emerged as the largest growth segment in 2023. Food inflation reached an all-time high in early 2023, causing prices in certain snack sub-categories—such as confectionery and sweet biscuits—to rise, which has led to a decrease in volume sales. Despite these challenges, vegetable, pulse, and bread chips have topped the category, achieving a 17.5 percent (Table 3) increase in sales compared to 2022, highlighting the resilience of health-focused snacking choices in the market.

### Section 5: Key Contacts and Further Information

Agricultural Affairs Office

Physical Address: 490 Sussex Drive,

Ottawa, Ontario K1N 1G8

<http://www.fas.usda.gov>

Phone: (613) 688 5267

Email: [agottawa@fas.usda.gov](mailto:agottawa@fas.usda.gov)

### Attachments:

No Attachments