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## Canada

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### What's Cooking in Canadian Food Trends for 2016

**Report Categories:**

Agriculture in the News

Food Service - Hotel Restaurant Institutional

Food Processing Ingredients

Retail Foods

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**Report Highlights:**

Many large Canadian food and beverage shows take place in the late winter and early spring. These shows include [SIAL Canada](#), the [Restaurants Canada Show](#), the [Canadian Produce Marketing Association Convention](#) and the [Canadian Health Food Association West](#) show (an Eastern one takes place in the fall). Combining visits to these shows with research by top Canadian industry publications, FAS Canada has put together a list of the top five food and beverage trends for the market in 2016. These are areas in which U.S. food and beverage companies may find demand for their products.

## **Introduction**

Many large Canadian food and beverage shows take place in the late winter and early spring. These shows include [SIAL Canada](#), the [Restaurants Canada Show](#), the [Canadian Produce Marketing Association Convention](#) and the [Canadian Health Food Association West](#) show (an Eastern one takes place in the fall). While all of these shows provide a good opportunity to meet with members of the Canadian trade and learn more about the market, SIAL Canada is the only show in Canada endorsed by the USDA. There is a USA Pavilion at the show each year which provides added exposure and support for U.S. companies who exhibit within it. For more information on exhibiting within the pavilion, please contact [agottawa@fas.usda.gov](mailto:agottawa@fas.usda.gov).

Combining visits to these shows with research by top Canadian industry publications, FAS Canada has put together a list of the top five food and beverage trends for the market in 2016. These are areas in which U.S. food and beverage companies may find demand for their products.

U.S. firms who are new-to-export or new-to-market may also be interested in the following FAS Canada reports:

- [Exporter Guide: A Practical Guide](#)
- [An Updated Overview of the Retail Sector in Canada](#)
- [An Updated Overview of the HRI Sector in Canada](#)
- [An Overview of the Food Processing Sector in Canada](#)

## **Top Five Food and Beverage Trends for the Canadian Market**

### 1) Upscale Beverages

This trend focuses mostly on alcoholic beverages, it appeared on many top trends lists and was highlighted at this year's trade shows. Many of the Canadian trade shows have added or expanded the alcoholic beverage presence at their shows in response.

A main driver in the upscale beverages sector is craft beer. Overall, beer is shrinking at approximately 1% in volume per year with value mostly flat at a gain of 1% annually. Craft beer however has seen double digit growth in the three largest provincial markets in Canada – British Columbia, Ontario and Quebec (*Source: Euromonitor*). With Ontario now expanding beer sales to grocery store shelves, more opportunities for beer exports may arise.

Other trends in the upscale alcoholic beverage sector include micro distilled or artisan liquors, preserved fruits in cocktails, shaped or flavored ice cubes, spiked soft drinks and “winetails”.

U.S. exporters interested in this category may also be interested in FAS Canada's report [Overview of the Wine and Spirits Sector in Canada](#), which includes information on the entire liquor distribution channel including beer.

Upscale innovation is also making an appearance in non-alcoholic beverages. Alternative waters (such as coconut), matcha, and kombucha have gained in popularity. Kombucha in particular has done well in the market with sales reaching C\$1.8 million (US\$1.4 million) in 2015 (*Source: Euromonitor*). As well, the “slow-coffee” movement has drawn awareness to characteristics such as cold brew methods and single origin coffees.

## 2) More Adventurous Ethnic Food and Drink

This trend can be attributed to two main causes:

- A growing foreign-born population, which made up 21.4% of the Canadian population in 2015 and is expected to grow to 22.6% by 2030 (*Source: Euromonitor*)
- A general desire for healthier products and more unique experience amongst Canadian consumers

There are several categories in this sector in which growing popularity is expected:

- I. Food inspired by “street foods”, including Tijuana danger dogs, Mexican elote, tempura and taquitos
- II. Food from a wider variety of Asian countries, including the Philippines and Laos
- III. Ethnic Sauces – Sriracha and soy sauce will continue to be popular while sauces such as chimichurri and raita/raitha will gain a larger following
- IV. Ethnic cheeses such as paneer and halloumi

## 3) Health and Special Diets

This is a trend that has appeared in reviews of the Canadian market for several years and is projected to continue. It has often been attributed to the ageing population; the number of Canadians over 65 years old grew 3.1% in 2014 compared to 1% for the general population. However, the Millennial generation (approximately 19 to 35 years old) is also very interested in these products and that is not expected to change.

This sector covers a variety of different products and those that made an appearance on this year’s trends lists include gluten-free/food allergy conscious foods, foods for Kosher and Halal diets as well as functional or fortified foods. In 2015, the Halal market in Canada was estimated at C\$1 billion (US\$780 million) and the Muslim population is expected to grow by 13 per cent annually (*Source: Food in Canada*). Sales of Kosher foods in Canada reached over C\$500 million in 2012 (US\$500 million in 2012) (*Source: Agriculture and Agri-Food Canada*). There is also the advent of freeze-dried products that attract the health and special diets sector consumer.

## 4) Alternative Pulse Proteins

Perhaps driven by the United Nations naming 2016 its “Year of the Pulse”, this is a new trend for Canada and was found on many lists and at many trade shows this year. As with many of the trends on

this list, the popularity of pulses could also be tied back to health and wellness or Canada's changing demographics.

In Canada, the retail market for lentils was estimated at US\$320 million in 2015 and is expected to grow to US\$334 million by 2017. For dried peas, the retail market was estimated at US\$89 million in 2015 and is estimated to reach US\$94 million by 2017. For each of these commodities the retail market is a much smaller channel than food processing, account for 25% of lentil sales and 5% of sales of dried peas. (Source: Euromonitor)

#### 5) Produce: Not just a side

The number of Canadians who consume 5 or more servings of fruits and vegetables per day has been slowly increasing. In 2001, 43.0% of females and 31.9% of males consumed 5 or more servings. By 2014, these numbers had grown to 46.6% and 32.1% respectively (Source: Statistics Canada).

With the growth of interest in healthy eating fresh produce, especially vegetables, should continue to increase and are expected to take on bigger roles in Canadian diets. Some of the ways this is projected to happen include:

- I. Vegetables as center plate – vegetables are being used as the star of many meals including cauliflower crust for pizza or roasted Brussels sprouts as a main course
- II. Imperfect produce – “ugly” fresh fruits and vegetables have begun making an appearance in Canadian grocery stores, these are sold for lower prices which helps to combat rising food costs and are promoted for helping to reduce food waste
- III. Leafy greens – these are also expected to grow in popularity and include now familiar varieties such as kale and Swiss chard and should grow to include newer types such as seaweed

#### Additional Resources

**Global News – [What are Canadians eating? Chef Ricardo reveals Canada's food habits](#)**

Informative article which includes information on regional differences.

**Restaurants Canada – [2016 Canadian Chef Survey](#)**

#### Top 10 Hot Trends

1. Craft beer/ microbrews
2. Charcuterie/ house-cured meats
3. Ethnic sauces (e.g. sriracha, raita/raitha, chimichurri, soy sauce)
4. Locally sourced foods (locavore)
5. Food smoking
6. House-made condiments/sauces
7. Gluten-free/food allergy conscious
8. Inexpensive/ underused cuts of meat (e.g. beef cheek, brisket, pork shoulder, skirt steak)

9. Organic produce

10. Leafy greens (e.g. kale, Swiss chard, mustard greens, collard greens, dandelion, beet greens)

In addition to house-made condiments, the “Up-and-Comers” list features several other first-time items: alternative pulse proteins, chef-driven fast casual concepts, ethnic cheeses, and house-made/artisan pickles:

Top 10 Up-and-Comers

1. House-made condiments/sauces
2. Ancient grains (e.g. kamut, spelt, amaranth, freekeh)
3. Alternative pulse proteins (e.g. pigeon peas, cranberry beans, black beluga lentils)
4. Inexpensive/underused cuts of meat (e.g. beef cheek, brisket, pork shoulder, skirt steak)
5. Micro-distilled/artisan liquor
6. Ethnic/street-food-inspired appetizers (e.g. tempura, taquitos)
7. Chef-driven fast-casual concepts
8. Unusual/uncommon herbs (e.g. chervil, lovage, papalo, lemon balm)
9. Ethnic cheeses (e.g. queso fresco, paneer, labneh, halloumi)
10. House-made/artisan pickles

**Canadian Grocer - [Food trends to watch for in 2016](#)**

- Vegetables in starring roles
- Hummus
- Sweet and heat flavors
- Savory yogurt
- Preserved fruits in cocktails
- Shaped or flavored ice cubes
- Bone broth

**Food in Canada - [FCC predicts top agriculture trends for 2016](#)**

- 1) Weather will continue to affect supply and opportunities
- 2) Price conscious Canada consumers demand more food choice – as a result, imports of processed foods outpace exports
- 3) Favorable economic conditions for Canadian producers will continue
- 4) Increasing commodity prices could decrease profit margins
- 5) Canadian farm debt will increase at a slower pace

**Canadian Pizza - [Five food trends for Canadian restaurants in 2016: Technomic](#)**

- 1) Oktoberfest-inspired foods such as sausages, mustards and pretzels
- 2) More adventurous ethnic food and drink including Tijuana danger dogs and Mexican elote
- 3) Innovation in adult beverages leading to spiked soft drinks and “winetails”
- 4) Workforce squeeze

5) The slow-coffee movement - cold brews, single-origin and espresso tastings

**Grocery Business – [Trends with Traction](#)**

- Food Cart Patios – consumers are seeking an experience
- Specialty diet food preparation areas – to address gluten-free, Kosher and/or Halal
- Personalized shopping tools including customized coupons
- Living wall- consumers appreciate a natural connection
- Unexpected displays

**Jane Dummer RD – Food Trends for 2016 [Part One](#), [Part Two](#) and [Part Three](#)**

- Vegetables; including seaweed, as entrées and imperfect fruits and vegetables
- Cuisine from a greater variety of Asian countries
- Plants; including pulses, nuts and seeds
- Fermented Foods
- Upscale beverage; including craft beer, alternative water and matcha
- Tiger nuts (due to health benefits related to diabetes, weight loss and heart health)
- Medium chain triglycerides (again due to health benefits, this time weight loss and athletic performance)