



Agriculture and  
Agri-Food Canada

Agriculture et  
Agroalimentaire Canada



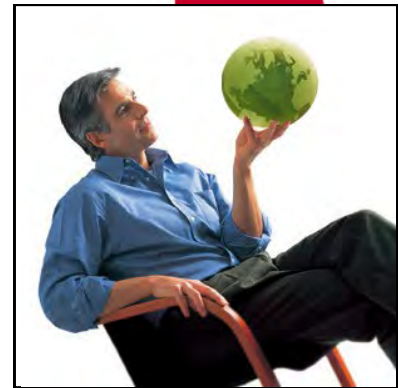
*Canada*

**International  
Markets  
Bureau**

**MARKET ANALYSIS REPORT | JULY 2010**

# **Comparative Consumer Profile**

## Canada and the United States



# Comparative Consumer Profile

## Canada and the United States



### ▶ EXECUTIVE SUMMARY

Canada and the United States are two of the most interconnected nations in the world, in terms of both market relations and cultural influence. They remain each other's top trading partner for agri-food and seafood products, although with different degrees of reliance. The vast majority of Canada's agri-food and seafood trade takes place with the United States and, while Canada holds the largest share of any one country within the American market, the American portfolio is much more distributed.

Both of these countries exhibit the typical features of developed nations, including high levels of education, growing citizen affluence, smaller households, emerging cohorts of younger generations that are more ethnically diverse than ever before, and a burgeoning older demographic that is coming to comprise the consumer majority. Together, these characteristics create a landscape of both opportunities and challenges for the food industry.

Canada and the United States have some similarities in terms of what such national characteristics mean for the agri-food and seafood market. For example, both countries are experiencing heightened demands for convenience-oriented products to suit the compressed schedules of their busy consumers. These over-burdened lifestyles have also caused increasing health problems, and subsequently, increasing consumer awareness of how eating habits can affect one's quality of life. Finally, both countries expect high value from their food products. Coupled with such demands are tightening budgets and growing price consciousness, in light of recent recessionary conditions. Consumers in both countries allocate less than 15% of their total annual budgets to food purchases, which is among the lowest in the world.

Despite their similarities, Canada and the United States cannot be considered one homogenous market, as their consumers also exhibit significant variations driven by social, cultural and historic differences. For example, Asians are the primary ethnic group in Canada, while in the U.S. it is Hispanics (The NPD Group, 2008).

Studies have classified Canadian and American consumers into country-specific archetypes based on differences such as those mentioned above, that work to suggest patterns in attitudes, lifestyles and behaviours. With regards to food products, the Canadian archetype adheres to the adage, "you are what you eat," whereas the American archetype perceives eating as a means to "fill up the tank" or "fuel the bodily machine" (Reader's Digest, 1998). These archetypes shape the different consumer preferences and demands in Canada and the United States and, particularly, distinguish understandings of value that are unique to each country and dictate how food dollars are spent. For example, where American consumers place high priority on products that are tasty, convenient and provide value for the dollar, Canadians prioritize nutritional benefit and quality above taste (The NPD Group, 2008). These discrepancies signal opportunities for food producers that are unique to each country.

The purpose of this report is to identify the overarching similarities and differences between Canadian and American consumers. In understanding the demands relevant to both countries, as well as those that distinguish each as a unique market, the Canadian agri-food industry can better position new products both domestically and within the United States. However, it is also important to note that each of these countries consist of multiple markets and should not be perceived as singular. More specific analyses to this regard can be found in upcoming reports from Agriculture and Agri-Food Canada.

To facilitate the successful introduction of food products into both countries, this report was compiled from a variety of sources and features the most recent data available. A comparative snapshot of Canadians and Americans is provided in Annex 1.

### ▶ INSIDE THIS ISSUE

<b>BILATERAL TRADE RELATIONS</b>	<b>3</b>
<b>DEMOGRAPHICS</b>	<b>4</b>
Population	4
Ethnicity	5
Education	6
Households	7
Health and Lifestyle	9
<b>CONSUMPTION AND EXPENDITURES</b>	<b>10</b>
Expenditures Overview	10
Consumption Tastes and Preferences	13
<b>CONSUMER TRENDS</b>	<b>15</b>
Recessionary Spending	15
Convenience Eating	16
Health-Conscious Eating: Food with Benefits	16
Eating Out	19
<b>CONCLUSIONS</b>	<b>20</b>
<b>REFERENCES</b>	<b>20</b>
<b>ANNEX 1:</b>	<b>22</b>
<b>COMPARATIVE SNAPSHOT</b>	
<b>ANNEX 2:</b>	<b>24</b>
<b>NEW PRODUCT LAUNCHES</b>	



▶ **BILATERAL TRADE RELATIONS**



The bilateral relationship between Canada and the U.S. is the “closest and most extensive in the world,” and is thus the “world’s largest and most comprehensive trading relationship,” (U.S. Department of State, 2008). Statistics Canada reports that total trade (total imports and exports) between the two countries was over CAD\$456 billion in 2009, of which, about CAD\$38 billion was agri-food and seafood products.

As shown in Table 1, bilateral trade of agri-food and seafood products has fluctuated slightly since 2004, reflecting the economic recession experienced during 2009, and a potential objective of both countries to further penetrate international markets. In 2009, both Canada and the U.S. reported that their total trade with the other had increased in dollar value as compared to 2004. However, this can be attributed, in part, to rising commodity and transportation costs. As a percentage share, bilateral total trade of agri-food and seafood products actually decreased from 2004.

**Table 1: Bilateral Total Trade of Agri-Food and Seafood Products, Value and Percentage Share of Total Trade with World, 2009**

<b>REPORTING COUNTRY: CANADA (total trade with U.S.)</b>		
	<b>\$ Value</b>	<b>% share of</b>
	<b>CAD Millions</b>	<b>total trade w/ world</b>
<b>2009</b>	38,290	54.9
<b>2008</b>	40,363	55.2
<b>2007</b>	35,245	56.3
<b>2006</b>	32,738	57.8
<b>2005</b>	31,896	59.3
<b>2004</b>	32,157	59.7
<b>REPORTING COUNTRY: U.S. (total trade with Canada)</b>		
	<b>\$ Value</b>	<b>% share of</b>
	<b>CAD Millions</b>	<b>total trade w/ world</b>
<b>2009</b>	41,303	18.6
<b>2008</b>	43,060	18.2
<b>2007</b>	37,568	18.7
<b>2006</b>	34,783	19.0
<b>2005</b>	33,789	19.3
<b>2004</b>	33,757	19.1

*Source: Adapted from Global Trade Atlas, 2010*

Canada and the United States are each other’s top trading partners in the agri-food and seafood landscape. But in terms of market share, the U.S. comprises a much larger proportion of Canada’s agri-food and seafood trade, dwarfing that which is held by all other countries, individually or combined. Canada’s share of the U.S. import and export market is more in proportion with other key trading countries:

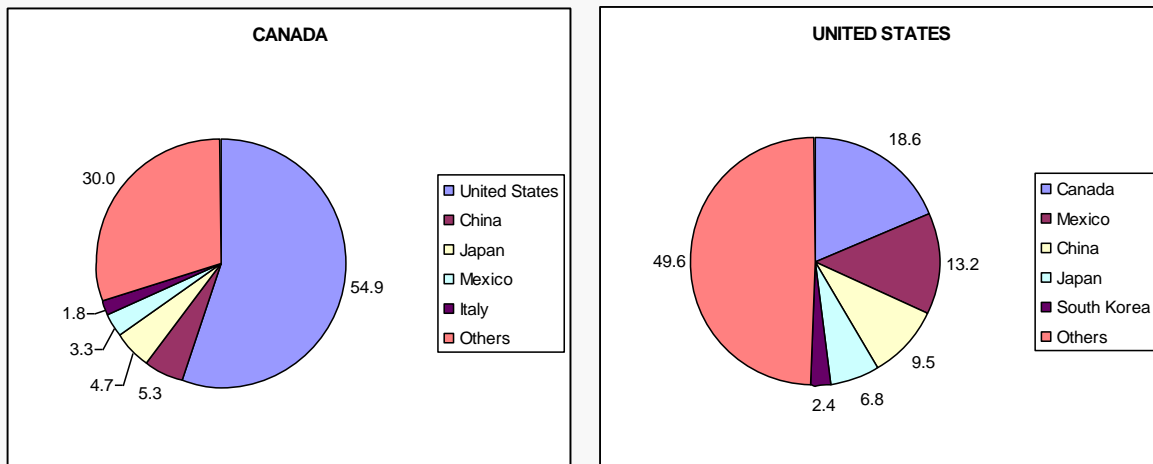
- ▶ Exports of Agri-food and Seafood Products
  - ▶ Over 50% of Canadian exports are received by the United States
  - ▶ About 18% of American exports are received by Canada
  
- ▶ Imports of Agri-food and Seafood Products
  - ▶ About 59% of Canadian imports come from the United States
  - ▶ Over 19% of American imports are Canadian products.



## ▶ BILATERAL TRADE RELATIONS (continued...)

When looking at trading partners outside of their top five, the U.S. has a more widespread portfolio, with almost 50% of their total agri-food and seafood trade taking place with an additional 153 countries. In comparison, Canada's considerable reliance on U.S. trade contributes to the smaller share (30%) the country allocates to 121 other countries (Figure 1).

**Figure 1: Total Trade with World, Agri-food and Seafood Products, by Percentage Share, 2009**



Source: Adapted from Global Trade Atlas, 2010

## ▶ DEMOGRAPHICS

### POPULATION

Although vastly different in size, both the Canadian and American populations are moving towards an older demographic, and experiencing an influx of unique consumer demands from this aging generation, as well as cohorts of young adults. These segments will impact the agri-food and seafood markets in terms of choice, packaging and overall expectations of food products.

Canada's population was roughly 33 million in 2009, about one-tenth of the American population of 307 million. The Canadian population is much more geographically concentrated than the U.S. with approximately 90% living within 160 km of the American border, facilitating extensive bilateral influence. Both countries are highly urbanized, with 80% of Canadians and 82% of Americans living in urban areas (CIA, 2009a; CIA, 2009b).

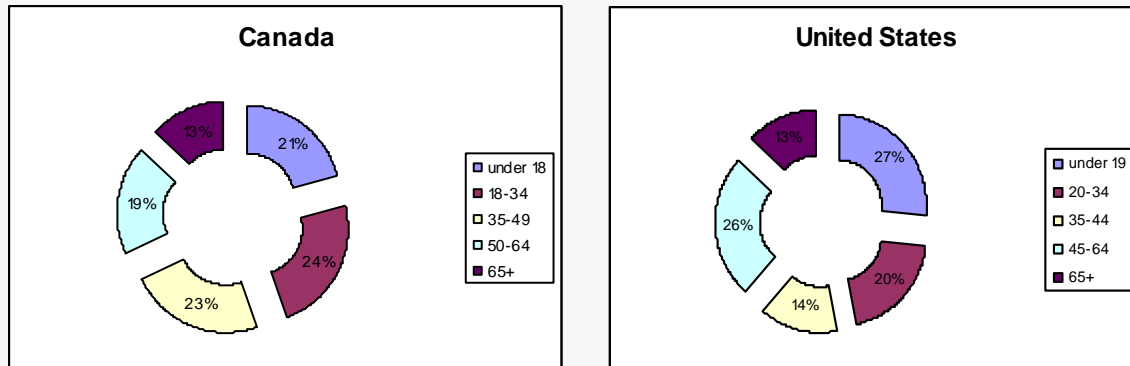




## POPULATION (continued...)

The national age composition in both Canada and the U.S. has remained fairly stable over the past ten years amongst those under 45. However, both countries are seeing gradual increases towards an older demographic. As shown in Figure 2, adults aged 65 and over account for about 13% of the population in both Canada and the U.S. (U.S. Census Bureau, 2010a).

Figure 2: Population Age Composition as Percent of Total Population



Source: Adapted from Statistics Canada and the U.S. Census Bureau

### Baby Boomers

In both countries, aging baby boomers are shifting the composition of the population, which will affect the expectations and demands consumers have of food products. This older demographic is more affluent than in previous generations, and insists on quality items that will enhance their later years.

In Canada, people aged 44-65 are becoming the new consumer majority. This demographic is 45% larger than the segment aged 18-43, and is projected to reach 60% larger within 2010. (Euromonitor, 2009b).

In the United States, the 45-64<sup>1</sup> age group has grown from about 21% of the population in 1998 to almost 26% ten years later. Although this demographic is not the consumer majority, its growth has occurred alongside slight decreases in the 20-44 age bracket, which comprised 37% of the population in 1998, but 34% in 2008 (U.S. Census Bureau, 2010a; U.S. Census Bureau, 2001a).

### Millennials

Another important consumer demographic in both countries is the millennial generation. Although not distinctly defined by a specific range, Millennials are generally understood as those within the 20-30 age bracket. Millennials are in the early stages of family and career development with growing disposable incomes, making them a prime market in which to foster brand loyalty. Millennials are also more ethnically diverse than other generations, demand convenience, and have higher expectations of food products (Roberts, 2009; IRC, 2009).

## ETHNICITY

It is important to explore the changing ethnic profiles in Canada and the United States, in order to understand changing food consumption habits in both countries.

Canadian minorities are growing and ethnic demographics are changing. Minority groups accounted for 16% of the population in 2006, and are forecast to comprise between 29% and 32% by 2031. Statistics Canada predicts that the Canadian population belonging to ethnic minority groups will more than double by 2031. Comparatively, the rest of the population would increase by a maximum of 12%. Minorities in Canada are increasingly representative of non-European countries – South Asians and Chinese are presently the largest ethnic groups in Canada. Statistics Canada forecasts that combined, these two populations could account for between 14% and 16% of the total population by 2031, and would thus remain the largest minority groups (Statistics Canada, 2010).

Accordingly, the 2006 Census indicated that the two Canadian national languages of English and French remain the principal languages used at home by 58% and 22% of the population respectively. However, their prevalence has been slowly decreasing alongside a rising usage of “other” languages (20%). In accordance with their growing population, Chinese languages (including Mandarin, Cantonese, Hakka, Taiwanese and others) are the third most frequent languages used in the home, accounting for 3% of the total population.

<sup>1</sup> Equally comparable statistics from both countries could not be located at the time of preparing this report



### **ETHNICITY (continued...)**

In the United States, Hispanics are now the primary ethnic group. This population is projected to increase at an annual rate more than double that of other ethnic groups, a trend that is expected to continue for the next two decades (NDP Group 2008; Ballenger and Blaylock, 2003).

English also remains the predominant language used at home by 82% of the United States population, but English usage has been on a slow decline. The next most prominent languages used at home are Spanish (12%), variations of French (0.7%) and Italian (0.3%), all of which, along with the remaining "other" languages, are slowly gaining share (U.S. Census Bureau, 2008 estimate).

In both countries, changing ethnic demographics are changing the national food palate. For example, ethnic populations typically consume less dairy, potatoes and sugar, which are arguably Canadian and American diet staples. But they consume more fruit, seeds, nuts and fish, increasing the presence and emphasis of these particular products on foodservice menus and store shelves (Ballenger and Blaylock, 2003).

More specifically, in terms of both countries' primary ethnic minority, greater consumption of fish and seafood products is associated with Asian populations, and greater poultry consumption is linked to the dietary habits of Hispanic groups (Ballenger and Blaylock, 2003).

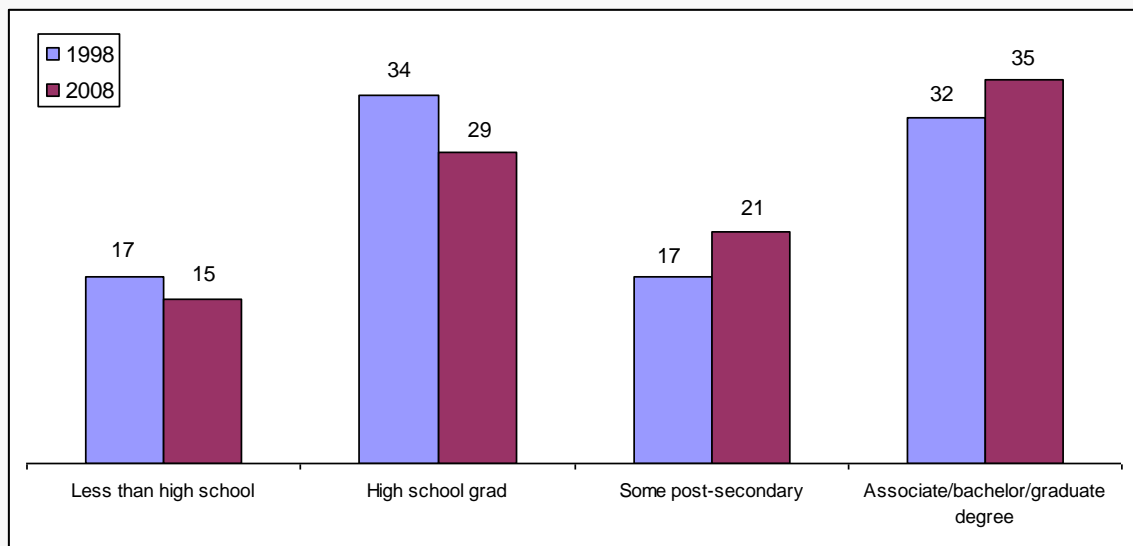
### **EDUCATION**

Educational attainment levels within Canada and the U.S. cannot be accurately compared due to differences in how the data are collected and categorized in the two countries. While the Canadian census measures the education rate of those aged 15 and up, the American census only measures from age 25 and up, and definitions of the different education levels vary between the two countries. Despite this, it remains useful to separately explore the proportions of each population with different levels of education, as this is an important contributing factor to food consumption and product choices.

Higher education is generally associated with higher incomes and broadened exposure to international information which, in turn, is associated with more discerning attitudes toward food products and increased consumption of culturally diverse foods.

In Canada, educational attainment is on the rise, as evidenced by the diminishing proportion of the population aged 15 and over who have not completed high school, and the growing proportion of individuals with post-secondary education (Figure 3). Overall, in 2007, about 50% of Canadians in this age demographic had trade certificates, college diplomas and/or university degrees, which is a 17% increase since 1990 (HRSDC, 2007).

**Figure 3: Level of Education, Canada,  
Percentage of those aged 15 years and older, 1990 and 2007**



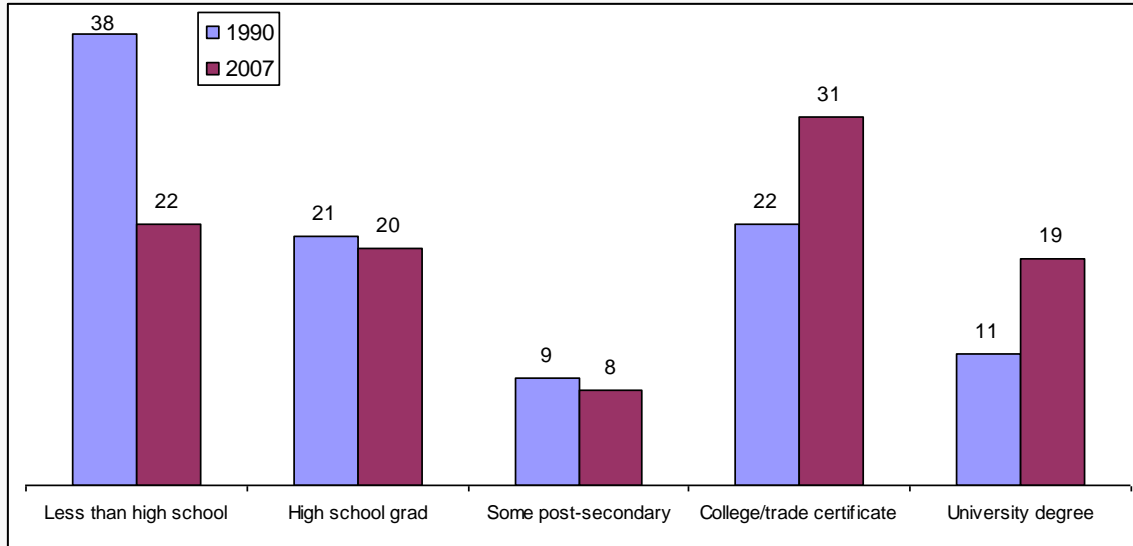
*Source: Adapted from HRSDC, 2007*



## EDUCATION (continued...)

In the United States, educational attainment is also on the rise amongst those aged 25 and up (Figure 4). The proportion of those with only high school or less is decreasing, while the percentages of individuals with post-secondary education are increasing. In 2008, 85% of this age demographic was a high school graduate or higher, and almost 28% had at least a bachelor's degree (U.S. Census Bureau, 2010b).

**Figure 4: Level of Education, United States, Percentage of those aged 25 and older, 1998 and 2008**



Source: Adapted from the U.S. Census Bureau, 2001b

## HOUSEHOLDS

Households in Canada and the United States remain fairly small, but are moving away from traditionalist structures in favour of more independent and convenience-oriented living. This is changing the ways in which consumers structure their lifestyle and, thus, their purchases of agri-food and seafood products.

In terms of size, Canada and the U.S. exhibit similar demographics, with an average of 2.5 and 2.6 people per household, respectively (NDP Group, 2008).

The U.S. has a higher birth rate with about 2.1 children born per woman in 2009, versus 1.6 in Canada, but Canadians live longer. The average life expectancy in Canada is about 81 years (eighth-highest internationally), as compared to 78 in the U.S. (50<sup>th</sup> internationally). In both countries, women live about five years longer than men (CIA, 2009a; CIA, 2009b).

**Table 2: Households by Type: Percentage of Total Households, Historic and Forecast**

CANADA	1991	1997	2003	2009	2015
Single people	22.9	24.5	26.2	27.2	27.8
Couples without children	23.8	26.4	28.8	31.2	33.3
Couples with children	35.4	32.4	29.7	27.4	25.5
Single-parent families	8.2	7.2	6.3	5.5	4.8
Other	9.7	9.4	9.0	8.78	8.6
UNITED STATES	1991	1997	2003	2009	2015
Single people	25.0	25.2	26.5	27.1	27.8
Couples without children	29.6	28.9	28.3	27.5	26.9
Couples with children	25.8	24.9	23.3	22.1	20.9
Single-parent families	8.3	9.0	9.1	9.6	9.9
Other	11.3	12.1	12.9	13.8	14.6

Source: Adapted from Euromonitor International



## **HOUSEHOLDS (continued...)**

Both countries are experiencing a shift away from traditional nuclear family structures, and towards childless or single-person households. This trend is projected to continue into future years, as seen in Table 2. This can be attributed both to the aging population, and to individuals waiting longer to settle down and build families (Euromonitor, 2009b).

### **Single-Person Households**

In the United States, single-person households grew by 36.2% as a proportion of total households between 1991 and 2009. In Canada, this segment grew 52.8% during the same period, and is substantially comprised of an older demographic. Nearly half of all single-person households in Canada are made up of those between 35 and 65 years of age, with persons aged 65 and over accounting for almost one-third of the group. Regardless of age, this growing cohort presents increasing opportunity for single-serve, smaller-packaged and convenience-oriented food products in both countries (Euromonitor, 2009a; Euromonitor, 2009b).

### **Couples without Children**

Couples without children are on the rise in Canada and, in 2006, for the first time in Canadian history, comprised a larger segment of the population than did couples *with* children. This trend has continued since it emerged, and is projected to last into the future. Since 1991, the proportion of couples without children has grown by 69%, and is projected to grow by another 14.4% between 2009 and 2015 (Euromonitor, 2009a; 2010).

In the U.S., couples without children are increasing in number, but decreasing as a proportion of total households, growing by only 16.9% since 1991. This can be attributed to the aging population in both countries: those of typical child-bearing age are a smaller demographic than in previous generations. Between 2009 and 2015, couples without children are projected to grow by only 4.3% as a proportion of total households (Euromonitor, 2009a; 2009b; 2010).

As of 2009, 20% of American women between the ages of 40 and 44 do not have children, which is double the rate from thirty years ago. This is more likely to be seen amongst women with advanced degrees and upper-level career positions, for whom leaving the workforce to have a child, even temporarily, has higher opportunity costs (Euromonitor, 2009a).

Overall, couples without children are typically more affluent than other households, and are thus more likely to seek out premium or higher-end food products and foodservice options (Euromonitor, 2009a).

### **Couples with Children**

Couples with children have been decreasing as a proportion of total households in both Canada and the U.S., primarily reflective of the later age at which individuals are starting families. In Canada specifically, women aged 30-34 now have a higher birth rate than those of the 20-24 age group. This reflects the trend in both countries for women to complete a higher level of education and establish their careers before starting a family. This, in turn, is changing the familial structure amongst couples with children (Euromonitor, 2009a; Euromonitor, 2009b).

In the United States, only 25% of children in two-parent families have a stay-at-home mom and in Canada, both parents work full time in more than 70% of dual-earning couples with children. Together with couples waiting until later in life to have children, this trend results in fewer children per household, as well as children that consume more goods than previous generations. Parents are willing to spend more on their child(ren) due to their financial stability and established careers. This creates notable opportunity for producers of kid-friendly food products that also take into account broader consumer trends in Canada and the U.S., discussed later in this report (Euromonitor, 2009a; Euromonitor, 2009b).

### **Single-Parent Households**

In the United States, lone-parent households are on the rise and have grown as a proportion of total households by almost 44% between 1991 and 2009. This segment is driven by the relatively high rates of divorce and teen pregnancy in the U.S. In Canada, single-parent families declined by almost 14% between 1991 and 2009, but notable shifts are also taking place within this particular segment. While the majority of lone-parent households in Canada are headed by women (80%), the proportion of lone-father households rose by almost 15% from 2001 to 2006. This is more than twice the growth rate seen amongst single-mother households during that same time period. Also, almost 30% of single parents in Canada had never been previously married, signalling a greater acceptance of having children outside of marriage (Euromonitor, 2009a; 2009b).

As an overall demographic, lone-parent households tend to have lower disposable incomes, and are thus more price-sensitive than other family units. They are less likely to purchase 'value added' products and rely instead, on economy brands or private label. Single parents in both countries are also likely to be "time poor" and are thus avid consumers of convenience and snack foods (Euromonitor 2009a; Euromonitor, 2009b).



## HEALTH AND LIFESTYLE

The work-oriented lifestyle of both Canadian and American consumers leaves little time for leisure or other activities, thus perpetuating a succession of sedentary behaviours, the obesity epidemic, and increased occurrences of health problems such as diabetes and heart disease. Consumers in both countries are increasingly aware of the health risks associated with such a lifestyle and are seeking out more nutritious foods to compensate, but to different degrees.

In 2008, employed Canadians worked an average of 30.4 hours per week, which translates to just over six hours a day during a standard five-day workweek. When taking into account unpaid and/or domestic work, this daily average rises to almost nine hours (Statistics Canada, 2009d; Euromonitor 2009b). Comparably, the average work day for fulltime American employees in 2007 comprised just under eight hours, with a daily addition of just under three hours for work done at home (Euromonitor 2009a).

Such lengthy working hours leave consumers fatigued and “time poor,” contributing to the growing trend of spending more time at home, and the prevalence of sedentary behaviours, such as watching television and surfing the internet, as leisure activities (Euromonitor 2009a).

Coupled with the traditionally energy-dense Western diet, inactive behaviours are only perpetuating the obesity rates in both countries (Euromonitor, 2009a). In 2009, the proportion of Canadians aged 15 and over that were classified as overweight (BMI of 25 to 30) was 32.3%, and 21.8% were obese (BMI of 30 or greater). The obesity rate is over four times that of 1979. In the United States, almost half of the population aged 15 and under was classified as overweight in 2009 (43.2%), and the obesity rate has more than doubled since 1979, reaching 38.7%. In both countries, these statistics have been rising for decades and are projected by Euromonitor to rise further, as shown in Table 3. As it stands today, it is projected that about 60% of Canadians and 92% of Americans aged 15 and up will be either overweight or obese by 2019.

**Table 3: Obese and Overweight Adult Population, Historic and Forecast**

<b>% of Population Aged 15 and Up</b>	<b>1979</b>	<b>1989</b>	<b>1999</b>	<b>2009</b>	<b>2019</b>
<b>CANADA</b>					
<b>Obese</b>	5.2	10.3	13.7	21.8	26.5
<b>Overweight</b>	25.7	32.1	33.2	32.3	34.8
<b>UNITED STATES</b>					
<b>Obese</b>	15.6	22.0	29.8	38.7	44.9
<b>Overweight</b>	32.4	32.6	33.3	43.2	47.3

Source: Adapted from Euromonitor International, 2010

In both countries, obesity has become one of the leading causes of preventable death, and is associated with rising occurrences of hypertension, as well as non-communicable diseases such as diabetes, heart disease and certain types of cancer. According to the World Health Organization, the obesity epidemic threatens to overwhelm health-care systems, and could ultimately reverse any progress that has been made in the treatment and reduction of such conditions (Euromonitor, 2009a; 2009b; 2010b).

Both Canadian and American consumers are becoming increasingly aware of the health risks associated with excess weight and are making subsequent adjustments with regards to food choices, but in slightly different ways. For example, Canadians are found to be particularly concerned with salt, fat and cholesterol intake, whereas consumers in the U.S. are more likely to be wary of sugar levels in their diet because of a higher national incidence of diabetes (The NDP Group, 2008).

Dieting as a trend is decreasing in both countries despite the ongoing battle of the bulge, signaling the negative connotations associated with the word *diet* and the desire to adopt an overall healthier lifestyle. In both Canada and the U.S., about 60% of consumers who are *dieting* per se reported doing so of their own accord, rather than having been prescribed to do so by a doctor (The NDP Group, 2008).

Obesity rates and busy schedules have increased demand in both countries for convenience-oriented products that are labeled as organic, natural, low-sugar, low-sodium and/or low-calorie, as well as products with ingredients that are perceived to be healthier such as soy and whole grains or those that contain omega-3 or antioxidants. Many popular packaged foods are already available in such alternative formats in response to this growing market (Euromonitor, 2009a; Euromonitor. 2009b).

## ▶ CONSUMPTION AND EXPENDITURES



### EXPENDITURES OVERVIEW

Both Canada and the United States exhibit very similar compositions regarding annual consumption expenditures. Households put the majority of their consumer dollars towards housing, transportation and food. Also, in both countries, the proportion of total household consumption allocated to each subcategory of goods and services has only seen slight changes as compared to 2001 (see Table 4).

**Table 4: Annual Household Consumption by Category, Percent of Total Annual Household Consumption**

	2001		2008	
	CANADA	U.S.	CANADA	U.S.
<b>Housing and Household Operations</b>	36.8%	37.7%	38.2%	39.7%
<b>Transportation</b>	18.6%	22.1%	19.0%	19.9%
<b>Food</b>	15.7%	15.4%	14.6%	14.9%
<b>Recreation/Entertainment</b>	8.5%	5.7%	7.9%	6.6%
<b>Clothing</b>	5.9%	5.1%	5.6%	4.2%
<b>Health Care</b>	3.5%	6.3%	4.0%	6.9%
<b>Personal Care</b>	2.4%	1.4%	2.3%	1.4%
<b>Education</b>	2.2%	1.9%	2.3%	2.4%
<b>Miscellaneous expenditures</b>	2.7%	2.2%	2.6%	1.9%
<b>Alcohol</b>	1.7%	1.0%	1.8%	1.0%
<b>Tobacco and smoking products</b>	1.5%	0.9%	1.2%	0.7%
<b>Reading</b>	0.7%	0.4%	0.5%	0.3%

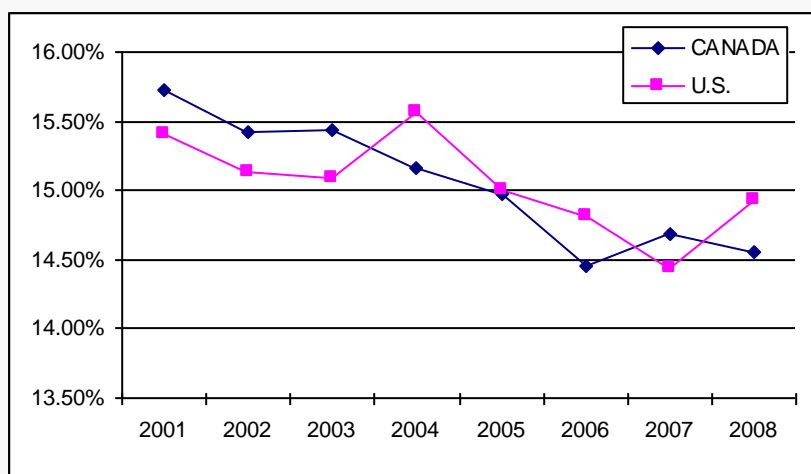
Source: Calculated using data from Statistics Canada 2006; United States Department of Labour 2006 and 2009

According to data compiled from Statistics Canada (2006 and 2009) and the U.S. Department of Labour (2006 and 2009), overall household consumption has been growing at an almost identical rate in both countries. In Canada, household consumer spending has increased by about 3.3% year-on-year between 2001 and 2008, growing by a total of 25.2%, or from CAD\$40 801 to CAD\$51 068. In the United States during the same time period, average annual consumption also increased by 25%, or from US\$34 523 to US\$43 144 at an average rate of 3.3% year-on-year.

**Figure 5: Average Annual Spending on Food as a Percentage of Total Consumption Spending, Canada and the United States, 2008**

### Food Spending

Household spending on food has been on a general decline as a proportion of total consumption (Figure 5). Food spending by Canadian households peaked at 15.4% of total consumption spending in 2003 (CAD\$6787), and similarly, at 15.6% (US\$5781) one year later in the U.S. In 2008, both Canadian and American households were spending under 15% of their total annual consumption budget on food and non-alcoholic beverages (CAD\$7435 and US\$6443), respectively.



Source: Calculated using data from Statistics Canada 2006 and 2009a; United States Department of Labour 2006 and 2009

## Food Spending (continued...)



When broken down into categories (Table 5), household spending on food and non-alcoholic beverages reveals some significant differences between Canada and the United States.

**Table 5: Household Expenditure on Food and Beverages by Category, as a Percentage of Total Annual Spending on Food and Non-Alcoholic Beverages, Historic and Forecast**

<b>CANADA</b>	<b>1994</b>	<b>1999</b>	<b>2004</b>	<b>2009</b>	<b>2014</b>	<b>2019</b>
<b>Total Food and Non-Alcoholic Beverages</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Bread and Cereals	13.8	14.5	15.4	16.1	16.7	17.2
Meat	21.6	20.5	20.9	21.2	21.2	21.1
Fish and Seafood	2.8	3.1	3.9	4.9	6.1	7.6
Milk, Cheese and Eggs	14.1	15.1	15.1	14.9	14.6	14.1
Oils and Fats	1.2	1.2	1.2	1.3	1.3	1.3
Fruit	11.5	11.4	12.0	12.5	12.9	13.2
Vegetables	9.8	10.3	10.4	10.3	10.1	9.9
Sugar and Confectionery	3.0	3.5	3.8	4.2	4.5	4.8
Coffee, Tea, and Cocoa	1.8	1.7	1.6	1.5	1.4	1.4
Mineral Waters, Soft Drinks, Juices	3.8	4.1	4.0	3.9	3.9	3.8
Other Food	16.5	14.5	11.7	9.3	7.4	5.8
<b>UNITED STATES</b>	<b>1994</b>	<b>1999</b>	<b>2004</b>	<b>2009</b>	<b>2014</b>	<b>2019</b>
<b>Total Food and Non-Alcoholic Beverages</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Bread and Cereals	15.6	17.0	17.7	17.6	18.4	19.3
Meat	21.4	20.1	20.0	19.7	19.1	18.3
Fish and Seafood	2.0	1.8	1.9	1.8	1.8	1.7
Milk, Cheese and Eggs	10.0	9.5	9.8	9.9	9.8	9.6
Oils and Fats	2.6	2.2	2.1	2.2	2.1	1.8
Fruit	5.2	5.1	4.9	5.2	5.3	5.3
Vegetables	6.8	7.8	8.5	8.5	8.9	9.5
Sugar and Confectionery	6.9	6.7	6.3	6.0	5.7	5.4
Coffee, Tea, and Cocoa	1.7	1.6	1.5	1.5	1.5	1.5
Mineral Waters, Soft Drinks, Juices	11.9	11.2	10.7	10.6	10.4	10.1
Other Food	15.9	17.1	16.8	17.1	17.1	17.5

**Source:** Adapted from Euromonitor International, 2010

**Note:** Calculated using fixed \$US 2009 exchange rate.

**Fish and Seafood:** In Canada, this category saw the most profound gains in consumer spending, growing 149.2% between 1994 and 2009, and is projected to grow an additional 88.3% by 2019. In terms of monetary value, Canadian households presently spend about US\$266 per year on fish and seafood, or about 5% of their total spending on food and non-alcoholic beverages. This compares to US\$104 being spent in the United States, which reflects the decreasing proportion of the total household food budget that Americans are allocating to this particular category. Despite this, rising prices have caused a 34.1% increase in spending on fish and seafood between 1994 and 2009 in the U.S., with estimates that it will grow by another 19.4% between 2009 and 2019. (Euromonitor 2010).

**Vegetables:** The category seeing the most gains in consumer expenditure in the United States is vegetables, growing by 81.6% between 1994 and 2009, when it reached about US\$482. By 2019, household expenditure on vegetables is projected to be about US\$678, which would be a 40.7% increase over 2009. In Canada, vegetables saw the fourth-highest gains in consumer spending of all categories, and hold a higher financial value than in the U.S. market. This reflects the rising transportation costs associated with importing such products (vegetables were Canada's second-highest agri-food and seafood import in 2009), as well as the larger proportion of their total food budget that Canadians allocate to vegetables (10.3%), as compared to the U.S. (8.5%). In 2009, household spending on vegetables in Canada stood at about US\$559, which was a 49.3% gain over 1994 (Euromonitor 2010).



### Food Spending (continued...)

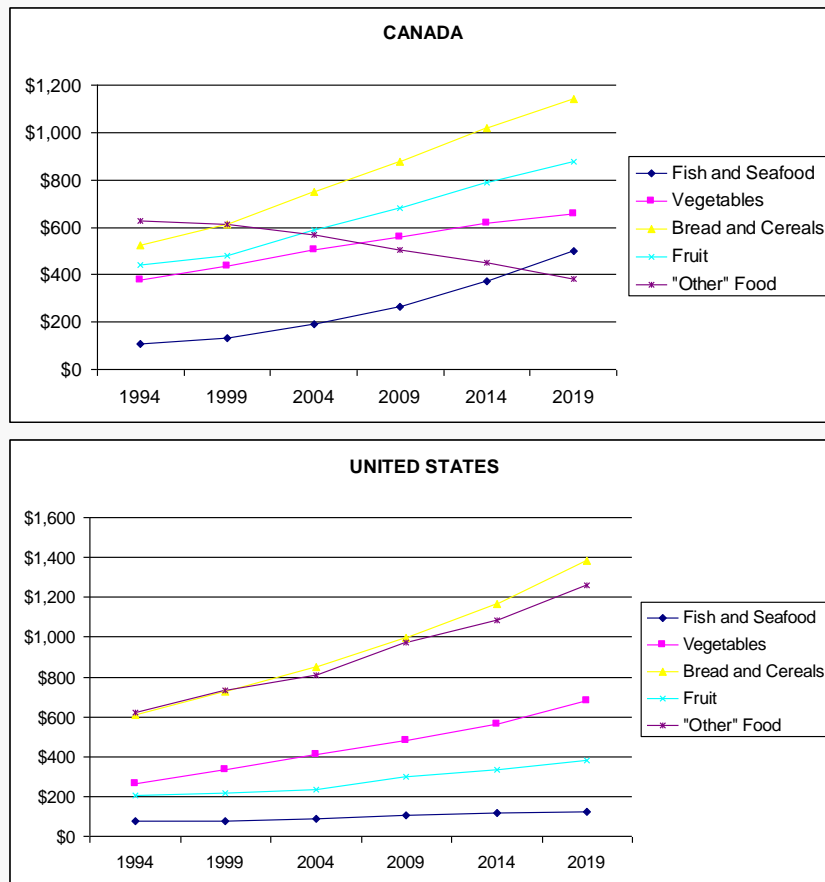
**Breads and Cereals:** Spending on breads and cereals saw similar gains in both Canada and the U.S., growing by 66.7% and 64%, respectively, between 1994 and 2009. In Canada, annual expenditure in this category is valued at US\$876, encompassing over 16% of total household spending on food and non-alcoholic beverages. By 2019, this value is expected to reach about US\$1140, which is more than double the amount from 1994. American households presently spend about US\$998 on breads and cereals, or 17.6% of their total budget for food and non-alcoholic beverages. Forecasts to 2019 predict bread and cereal spending in the U.S. will reach about \$US1385 and account for over 19% of household food budgets (Euromonitor, 2010).

**Fruit:** This category also saw significant gains in household expenditure in both countries between 1994 and 2009, growing by 54.8% in Canada and 45.8% in the U.S. It is projected that each country will see this category grow further, by around 28%, by 2019. In terms of monetary value, Canadian households spend significantly more on fruit purchases than their American counterparts which, again, reflects the rising costs required to transport and import such products. In 2009, Canadian households spent US\$681 on fruit consumption, as compared to around US\$296 in the United States – a difference of US\$385. Despite the similar growth rates projected for the fruit category, as mentioned above, the disparity in dollars spent is forecast to increase, with Canadians spending just under US\$500 more than Americans by 2019 (Euromonitor 2010).

**Other Food:** Finally, household spending on the *other* food category (comprised of various products including but not limited to spices, herbs, sauces, condiments, seasonings, dessert and dietary preparations, culinary preparations, baby food, soups, broths, and stocks) saw dramatic but opposing changes in Canada and the U.S. In Canada, spending in this category decreased by 19.5% between 1994 and 2009, and is projected to fall by another 24.4% by 2019. At present, Canadian households spend about US\$505 annually, or 9.3% of their total budget for food and non-alcoholic beverages, on the *other* food category. In stark contrast, between 1994 and 2009 *other* food saw the second-highest gains in household spending, across all categories in the United States. Presently accounting for just over 17% of total food and non-alcoholic beverage spending in American households, *other* foods grew by 56.4% over 1994 (from US\$624 to \$970 annually). Spending in this category is forecast to reach US\$1258 by 2019, which would be an increase of almost 30% over 2009 (Euromonitor).

Figure 6 illustrates the changes in household spending on the five key food categories discussed in this section.

**Figure 6: Household Spending on Food, Various Categories, Historic and Forecast, US\$ (Constant 2009).**



Source: Adapted from Euromonitor International, 2010



## CONSUMPTION TASTES AND PREFERENCES

The consumption values cited in this section, due to data availability, reflect solely fresh food products. Of this selection, the top two categories in both Canada and the United States are vegetables and meat, although to substantially different degrees. Measured by weight, the average Canadian consumed approximately 36 kg more vegetables than meat, while Americans, on the other hand, consumed 16.7 kg more meat than they did vegetables. Forecasts predict that the gap between these two commodities will remain relatively stable in Canada, signalling the well-established conditions of Canada's health and wellness trend. However, these forecasts also predict that this discrepancy will shrink in the United States, as the growth rate for per capita vegetable consumption, outpaces that of meat. This, along with additional factors discussed below, signals the very different preferences within these two countries regarding fresh food.

Unless otherwise cited, all of the figures in this section are the most recent available, and are derived from Euromonitor International (2010).



**Fruit:** With the exception of a single-year downturn in 2001, per capita fresh fruit consumption in Canada has been rising steadily, reaching 80.3 kg in 2009, which is a 2.4 kg increase since 1999. (Fruit was Canada's top agri-food and seafood import in 2009.) Total per capita fresh fruit consumption in Canada is projected to reach 82.1 kg in 2013. In the United States, consumption of fresh fruit has fluctuated back and forth over the past ten years, reaching 56.2 kg in 2009, which is a decrease of 1.2 kg from 1999. By 2013, this number is forecasted to reach 58.6 kg.

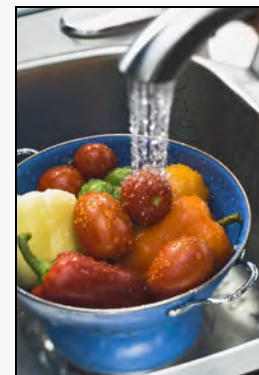
Per capita consumption of fresh fruit in Canada greatly outweighs consumption in the U.S.: the average Canadian consumed just over 24 kg more fresh fruit than the average American in 2009. This can be attributed, at least in part, to the American preference for packaged goods and Canadians' increasing demands for fresh produce year-round.

Since 2001, both Canadians and Americans are shifting their consumption away from traditional fruits to more exotic and/or better-for-you commodities, in line with growing ethnic diversity and the prevalence of health and wellness trends. For example, between 2001 and 2008, consumption of apples as a proportion of all fresh fruit consumed, declined by 20% in Canada, and only grew by 2.7% in the United States. Per capita consumption of oranges also decreased, falling 5.9% in Canada, and 17% in the U.S.

Conversely, blueberries, popular for their antioxidant-rich properties, experienced significant consumption gains, increasing by 141.2% in Canada and 132% in the U.S. during that same time period. Papayas also became more popular, growing by 82.7% in Canada and 27.8% in the U.S. (Statistics Canada 2009c; USDA Economic Research Service 2010).

**Vegetables:** Both countries are experiencing steady increases in per capita vegetable consumption that are projected to continue, but Canadians consume significantly more than their American neighbours. In 2009, average per capita consumption of fresh vegetables was 113.4 kg in Canada versus 67.5 kg in the U.S., indicating that the average Canadian consumed 45.9 kg more vegetables annually than the average American. Canadian consumers increased their annual fresh vegetable consumption by 2.6 kg since 1999, and Americans by just over 2 kg.

Similar to the changing fruit preferences mentioned above, vegetable consumption is moving away from traditional items, and towards those that represent more ethnically diverse flavours or functional health benefits. For example, between 2001 and 2008 consumption of carrots and potatoes declined by 21.3% and 2.5% respectively in Canada and by 9.3% and 16.7% in the United States. However, commodities such as eggplant, asparagus and broccoli are on the rise. In Canada, these vegetables saw gains of 27.2%, 93.0% and 4% respectively between 2001 and 2008. In the U.S., eggplant consumption increased by 20.9%, asparagus by 45.5% and broccoli by 16.4% during this same time period (Statistics Canada 2009c; USDA Economic Research Service 2010).



**Meats:** Per capita meat consumption has been gradually increasing in Canada to reach 77.3 kg in 2009, and is forecast to reach 78.0 kg in 2013. Despite fluctuating consumption volumes since 1999, Americans consistently consume more meat than Canadians, with per capita consumption at 84.2 kg in 2009, with that number expected to reach 85.7 kg in 2013. While both are increases, projections for 2013 indicate that Canadian consumption of fresh meat products will grow by 1.6 kg over the 1999 value, as compared to the American increase of 2.5 kg. In both countries chicken is the most popular meat, followed by beef, pork and then turkey (Statistics Canada 2009c; USDA Economic Research Service 2010).

**Fish and Seafood:** Canadians eat almost four times as much fresh fish and seafood as their American counterparts, which can be attributed to the growing Asian minority in Canada, and awareness of the health benefits associated with seafood. In 2009, Canadians consumed 20.3 kg of fish and seafood per capita, as compared to only 5.1 kg in the U.S. In terms of growth trends, consumption of fish and seafood in Canada has fluctuated incrementally since 1999 (20.6 kg), and is projected to remain relatively stable for the next few years. In the United States, per capita fish and seafood consumption increased slowly between 2000 and 2007, after which it started to decline. However, it is projected to work its way back up as of 2010.



## CONSUMPTION TASTES AND PREFERENCES (continued...)



**Milk:** Canadian consumption of fluid milk is on the decline overall, falling from 97 litres per capita in 2001, to 83.1 litres in 2007, or by 14.3%. Consumption of whole and 2% milk has decreased, 15% and 9.3%, respectively, which has offset positive growth (3.9%) in the consumption of light (1% and skim) varieties. Other milk (chocolate milk and buttermilk) consumption in Canada has also experienced gains during this time period, up 18.9% (Statistics Canada, 2008). Similar trends have been taking place in the United States market: consumption of fluid milk has declined overall, shrinking from 83.2 litres in 2001 to 78.2 litres in 2007, or by 6%. Whole, 2% and light milk consumption have all decreased between 2001 and 2007, by 17.4%, 1.5% and 3.6%, respectively. Consumption of other milk has seen steady gains, up 18.3% between 2001 and 2007. Comparable consumption data can be found in Table 6.

The visible shifts towards lower fat fluid milk in both countries can be attributed to burgeoning health awareness. The overall decline in milk consumption can be seen as a result of growing ethnic populations, who are less reliant on dairy products as a diet staple. Furthermore, as mentioned earlier in this report, couples in both countries are having fewer children than previous generations, possibly affecting the volume of fluid milk consumed per household.

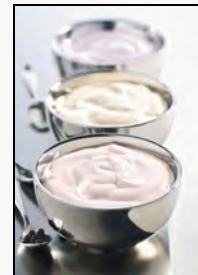
**Other Dairy Products:** Canadians are consuming less butter and ice cream, but more cheese and yogurt – a trend that has continued for at least the last two decades and is consistent with rising health awareness. Canadians are seeking out healthier substitutes to more calorie-rich dairy products. Similarly, in the United States, cheese and yogurt consumption are rising, as ice cream consumption declines. In contrast to Canada, butter consumption in the United States has fluctuated back and forth since the early 1990s, but has generally moved upward since 2001.

**Table 6: Per Capita Consumption of Dairy Products, Volume and Percentage Change**

	CANADA			UNITED STATES		
	2001	2007	% change	2001	2007	% change
<b>Whole Milk (L)</b>	14.0	11.9	-15.0%	28.1	23.2	-17.4%
<b>2% Milk (L)</b>	41.8	37.9	-9.3%	26.7	26.3	-1.5%
<b>Light Milk (L)</b>	25.9	26.9	3.9%	22.4	21.6	-3.6%
<b>Other Milk (L)</b>	5.3	6.3	18.9%	6.0	7.1	18.3%
<b>Total Fluid Milk (L)</b>	97.0	83.1	-14.3%	83.2	78.2	-6.0%
<b>Butter (kg)</b>	2.8	2.6	-7.1%	2.0	2.2	10.0%
<b>Ice Cream (kg)</b>	9.2	7.7	-16.3%	7.4	6.4	-13.5%
<b>Cheese (kg)</b>	11.9	12.4	4.2%	13.6	14.8	8.8%
<b>Yogurt (litres)</b>	4.9	7.1	44.9%	3.1	5.1	64.5%

*Source:* Adapted from Statistics Canada 2009c; USDA Economic Research Service 2010.

*Note:* Data from 2007 is the latest available in comparable units of measure.



The differences in eating habits between Canadian and American consumers are further demonstrated in Table 7, which outlines the growth of particular fresh food categories from 1999 to 2009, as well as projections to 2013. Most notably, the U.S. markets for vegetables and fish and seafood have grown at a much faster rate than Canada since 1999. However, this can be attributed to these particular markets being strong in Canada already, due to well-established health and wellness tendencies that are more recently gaining ground in the United States.

**Table 7: Percentage Change of Per Capita Fresh Food Consumption by Category, Historic and Forecast**

	1999-2009		2009 - 2013	
	CANADA	U.S.	CANADA	U.S.
<b>Fruit</b>	3.0%	-2.1%	2.2%	4.3%
<b>Vegetables</b>	2.3%	10.1%	1.3%	6.2%
<b>Meat</b>	1.1%	1.2%	0.9%	1.8%
<b>Fish and Seafood</b>	-1.4%	12.3%	0.3%	3.0%

*Source:* Adapted from Euromonitor International, 2010

*Note:* milk and other dairy products do not appear due to available years of data



## CONSUMPTION TASTES AND PREFERENCES (continued...)



**Alcoholic Beverages:** The overall consumption of alcoholic beverages is on the rise in Canada, which is further evidenced by gains in the consumption of wine and beer. In 2009, the average Canadian aged 15 and over consumed 89.6 litres of alcoholic beverages, as compared to 76.1 litres in 2000, and this is projected to rise further, reaching 93 litres in 2013. Beer consumption in Canada stood at 68.9 litres per capita in 2009, which is an additional 8.8 litres over the 2000 value. The consumption of wine rose by 3.3 litres during that same time period, reaching 13.1 litres per capita in 2009. In the United States, consumption of alcoholic beverages amongst those aged 15 and over averaged 91.2 litres per capita in 2009 as compared to 93 litres in 2000, and is forecast to decline further, arriving at 89.3 litres in 2013. Beer consumption declined by 4 litres per capita between 2000 and 2009, reaching 75.7 litres, while wine consumption saw gains of 1.4 litres during that same time period, reaching 8.6 litres per capita in 2009. Both countries saw the per capita consumption of spirits rise by about 0.5 litres between 2000 and 2009. Spirit consumption in both countries is very similar, with 2009 consumption rates of 4.7 litres in Canada and 5.0 litres in the U.S., and projections that consumption will stand at 5 litres in each country by 2013.

## ▶ CONSUMER TRENDS

### RECESSIONARY SPENDING

Canada's gross domestic product (GDP) is US\$1.5 trillion, making it the fifteenth highest in the world. Per capita GDP is just over US\$39 000. The U.S. has the most powerful economy in the world with a current GDP of US\$14.44 trillion. Per capita GDP is slowly on the rise, and is presently at about US\$48 000 (CIA, 2009a; 2009b; AAFC, 2010b).

The recent economic recession (late 2007 onwards), coupled with rising food prices has caused both Canadians and Americans to be more conscientious about their finances, including food budgets. Surveys have found that almost half of Canadians have altered their shopping habits in order to stretch their grocery dollars a little further, and in the United States 49% of consumers agreed that their purchase decisions were largely influenced by coupons, sales, bulk-buying discounts and other promotions (Euromonitor 2009a; 2009b).

But consumers still demand products that will accommodate their busy lifestyles, and meet their expectations for quality. How quality is defined in each country dictates where consumers' food dollars are allocated in times of financial constraint. Consumers in the United States place priority importance on convenience, quantity and how food products look, smell and taste, whereas Canadians are more likely to add nutritional value to those criteria. This is not to say that Canadians disregard the flavour of their food when making purchase decisions, but that taste is not the only deciding factor when budgetary sacrifices have to be made (The NDP Group, 2009).

Consumers in both countries feel that food products need to meet more than just their financial needs, meaning they are not simply reaching for the least expensive options. Products that are convenient, palatable, and nutritious, (or some combination thereof), will have value to the discerning consumer, and find success within this budget-conscious market.

Consumers are also dining out less often to save money, but are still looking for ways to treat themselves in more affordable ways, and have grown accustomed to the ease and convenience of eating out. As consumers seek to recreate the restaurant experience at home, demand for store-bought, restaurant-quality foods will continue to rise. This is especially true for value-added and convenient products that will allow consumers to feel both that their dollar's worth is maximized, and that the preparation of a meal has been simplified (Euromonitor, 2009a).





## **CONVENIENCE EATING**

Busy lifestyles in both Canada and the United States leave little leisure time. Thus, consumers in both countries are demanding products that ease time constraints. Consumers are seeking ways to maximize the limited time they have for daily tasks. They want to accomplish more, but also want the process to be easier, faster and enjoyable. Hence, smaller portions, ready-meals and side dishes that eliminate time-consuming tasks are popular choices both from foodservice establishments and on grocery store shelves (AAFC, 2010a).

Cooking all meals from scratch is relatively infrequent now in the average household, especially as the population ages and single-person and childless households become predominant. These consumers no longer feel the need to cook large-scale meals, and find ready-meals more convenient and cost-effective than purchasing and preparing individual ingredients. This is further evidenced by the packaged ready-meals market in both countries. In 2009, the retail value of Canada's ready-meal market totaled US\$3912 million, and had grown by 78.3% since the year 2000, alongside such shifting population structures. The same market in the United States was valued at US\$24 451 million in 2009, which was a 40.6% increase over 2000 and reflects the much larger population. This market is projected to grow in value by over 25% in each country, by the year 2014 (Euromonitor, 2009b; 2010).

Nevertheless, consumers are looking for more than the conventional take-home options of pizza, drive-through, or TV dinners, especially in Canada. Canadian consumers are increasingly conscious of the health risks associated with convenience-oriented products such as fast-food and highly-processed, pre-packaged meals. Instead, they are seeking better-for-you options that emphasize naturalness, freshness and fortified ingredients, driving demand for convenient products that are also nutritious. Although convenience is important to consumers in both countries when making food purchase decisions, Canadians are less likely than Americans to sacrifice nutrition for the sake of convenience. There is notable opportunity for food producers that can satisfy consumers' needs for both (Euromonitor, 2009b; The NDP Group, 2008).

However, given health and budget concerns, Canadian consumers especially are not entirely giving up the practice of meal preparation. Rather, they are seeking to make it a more efficient process and are supplementing their own cooking with semi-prepared products that eliminate the need for peeling, chopping, and mixing while reducing the clean-up that results from such tasks. The average meal is typically assembled from a combination of semi-or-fully-prepared items, heat-and-eat options, and made-from-scratch products (Sloan, 2006; AAFC, 2010a).

## **HEALTH-CONSCIOUS EATING: FOOD WITH BENEFITS**

Coupled with budgetary and time constraints, health-consciousness is playing an increasingly important role in consumers' food purchasing decisions, whether from a retailer or foodservice operation. In both the fresh and packaged food markets, rising awareness of the relationship between food choices and personal health is influencing the types of products that consumers demand, as well as contributing to overall heightened expectations of grocery items. Subsequently, consumers expect transparency from food producers, and are reading nutritional labels and ingredient lists more than ever before, as they attempt to navigate a profusion of health-oriented information. Wellness products, including those with organic, natural, added, removed, fortified, or functional ingredients, are one of the fastest growing categories in retail stores. Thus, products that offer easily understandable health benefits, as well as value and convenience to the consumer, will be well-suited for this lifestyle-driven market (Euromonitor, 2009b).



### **Organic**

Consumers in both Canada and the United States are reaching for organic food options in growing numbers, in accordance with the rising prevalence of health and lifestyle, as well as environmental awareness. In the United States, for example, organic foods and beverages have been posting significant sales gains and show great potential for sustainable growth. More particularly, the growing cohort of aging baby boomers in both countries, has driven the organic product market since the late 1990s, and is expected to continue to do so as these consumers seek ways to prolong and ameliorate their later years (Euromonitor, 2009b).

The over-simplified perception that an organic label on various products automatically means the product is better for you, is another contributing factor to this growing market. However, being organic doesn't necessarily guarantee added health or nutritional benefits, especially in relation to processed foods that are marketed as containing organic ingredients. For this reason, especially in Canada, the organic classification is not the sole governing factor in health-conscious food purchases. Rather, it is increasingly a minimum expectation (Bittman, 2009; Sloan, 2006; Euromonitor, 2009b).



## HEALTH-CONSCIOUS EATING (continued...)

### Fresh and Natural

An interrelated trend amongst health-conscious consumers is the quest for freshness. Similar to the perception of organic foods, fresh products are generally understood to contain fewer artificial preservatives, and subsequently, are seen as more natural and better for you. Cynicism regarding the food processing market in light of food safety issues and product recalls, has contributed to consumers' focus on naturalness, even in packaged foods. This is driving sales of artisanal products, such as fresh breads and baked goods, and has resulted in chilled products taking sales from frozen options within such commodity markets as pizza (Euromonitor, 2009b).

### Better-For-You Foods

On the one hand, better-for-you options, also known as the *foods minus* category (Heller, 2007) are foods with lessened or removed "unhealthy" ingredients, such as sugar, sodium, cholesterol, calories and fat. Due to the popularity of such options in both countries, many familiar packaged foods from established brands are now available in one or more of the above varieties (Euromonitor 2009a; 2009b). Such products are gaining ground in both countries, especially amongst consumers with specific dietary concerns. However, for those simply seeking to make healthier choices, having to decide between low-fat, no-fat, reduced-sodium, no-sugar and low-sodium versions of a single salad dressing, for example, can result in confusion when deciding which one is actually better (or best) for you.

On the other hand, better-for-you foods can also include those with slight recipe or ingredient alterations that make the item healthier, such as 100% real fruit rather than artificial flavourings, whole-grain pastas and breads instead of those with refined grains, or portion-controlled serving sizes. These items are also very popular in both countries, as they allow consumers the convenience of an easy choice. Even without reading the detailed label, consumers can still feel that they are making a positive decision with regards to their health, without making a huge adjustment to their diet (Euromonitor, 2009b).

### Fortified Foods and Supplements

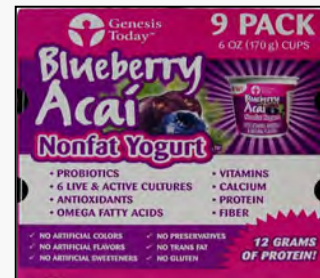
As a means to further enhance their efforts to achieve a healthier lifestyle, consumers in both Canada and the United States are also demanding fortified foods, or commonly consumed products that have beneficial attributes added to promote general well-being, or prevent diseases. Milk, yogurt, cereals, juices and eggs enriched with additional nutraceuticals such as vitamins, fibre, calcium, omega-3s, prebiotics, probiotics, and antioxidants, are some examples. However, for consumers who are increasingly seeking the best value for their budget, fortified foods with long-term health affects that consumers are unlikely to ever notice on their own, are still not as successful as those with immediately tangible benefits. For example, supplements such as yogurts that aide digestive functions, or beverages enhanced with taurine or ginseng for an immediate energy boost are especially attractive to consumers looking for a quick-fix (Clarke, 2009; Euromonitor, 2009a).

### Functional Foods

Finally, functional foods, similar to fortified products, are those with health benefits, above and beyond their basic sustenance or nutritional value. However, the advantages of functional foods are naturally occurring, rather than artificially added. Increasing awareness of the risks, both immediate and eventual, associated with unhealthy eating habits, has prompted many consumers in both Canada and the United States to proactively seek out functional foods as a means of disease prevention. For example, tomatoes are a source of lycopene, which could potentially reduce the risk of prostate cancer, and the omega-3 fatty acids naturally found in salmon and other fish oils, may reduce the risk of cardiovascular diseases (AAFC, 2009; Euromonitor, 2009b).

There are many products that attempt to address the criteria of more than one health and wellness sub-market (both explicitly and implicitly) to appeal to the ever-discerning and value-conscious consumer.

#### Genesis Today Nonfat Yogurt (United States)



##### Fresh and Natural

No artificial colours, flavours, sweeteners or preservatives.

##### Better-For-You

Non-fat; free from trans fat and gluten.

##### Fortified

Contains probiotics, omega fatty acids, vitamins, calcium, protein and fibre.

##### Functional

Contains natural antioxidants from blueberries and açai berries.

#### Del Monte Sherbet (Canada)



##### Fresh and Natural

Retails in a new plastic tub with a FreshSNAP lid to ensure the "freshest taste from the first scoop to the last."

##### Better-For-You

Low fat sherbet as a frozen dessert alternative to ice cream; no trans fat; made with real fruit;

##### Functional

Contains antioxidant-rich pomegranate juice, which is associated with many health benefits.

Source: Mintel Global New Products Database, 2010

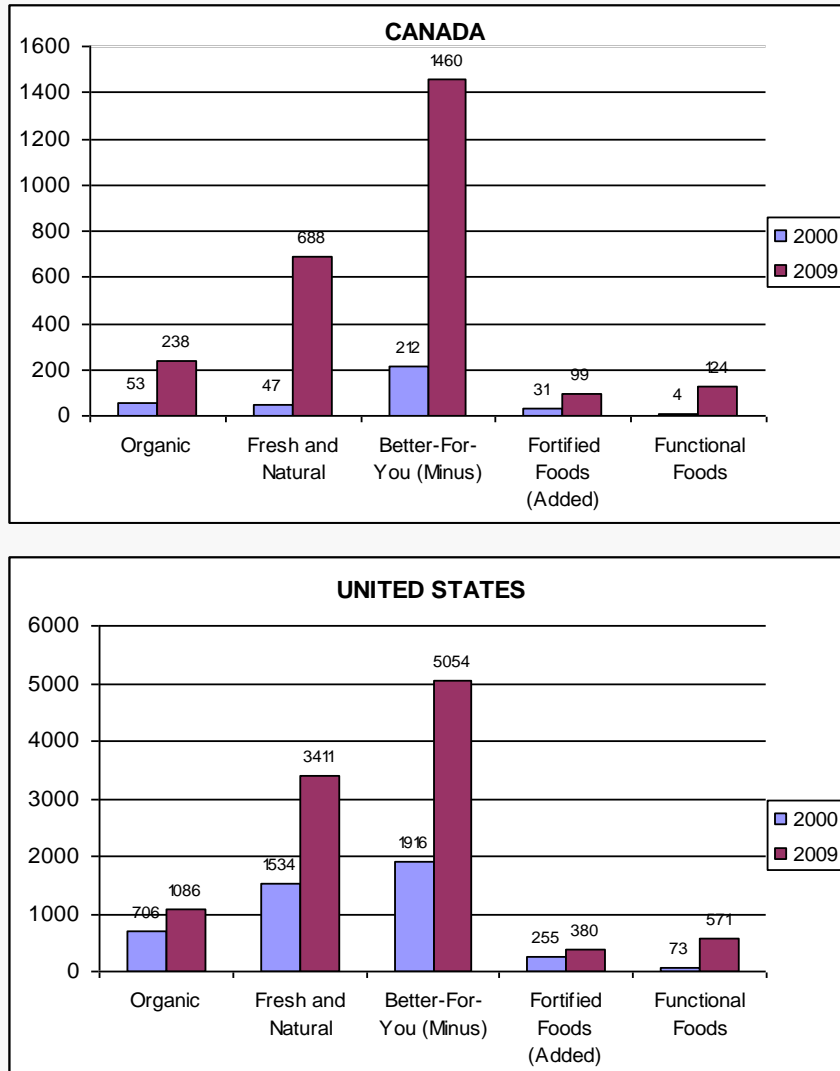


## HEALTH-CONSCIOUS EATING (continued...)

### New Products

As illustrated in the charts below (Figure 7), there have been substantial increases in new health-oriented product launches since 2000. Although the United States has seen far more product releases in all categories, the growth rates of such releases are much more pronounced in Canada. For example, products with a *functional* claim have experienced the largest gains in both Canada and the United States but to very different degrees. New launches within this category grew by 3000% and 682% respectively, between 2000 and 2009. Product releases with *fresh and natural* claims increased by 1363% in Canada, as compared to only 122% in the United States. Annex 2 contains comparative data on new product launches in Canada and the U.S. by claim category.

Figure 7: Number of New Product Releases by Claims Categories, 2000 and 2009.



Source: Adapted from Mintel Global New Products Database, 2010

Note 1: Product claims may not be unique to one particular category, thus the above values do not reflect the number of unique product launches.

Note 2: Refer to Annex 2 for a list of the sub-categories used to comprise each of the above claims.



## EATING OUT

Despite slowdowns in the foodservice industry due to economic conditions, both Canadian and American consumers are still dining outside of their homes in incredible numbers. Eating out has become simultaneously an opportunity to indulge, and an instrument of convenience. When asked about their main reason for eating out, 47% of surveyed Canadians reported wanting a treat, and 46% attributed their choice to being too busy to cook at home. This, coupled with consumers being increasingly aware of their personal health and budget, has resulted in a demographic of very discerning foodservice consumers.

The average Canadian household goes to restaurants for a meal or snack 520 times each year and, in the United States, 66% of adults eat in restaurants at least once a week (Euromonitor, 2009a; 2009b). In 2007, Canadian households purchased an average of \$1715 worth of food products from restaurants and, in the same year, 43.5% of Americans' food budget was spent eating away from home. (AAFC, 2010a; U.S. Department of Labor, 2009).

Consumers in both countries, though, are increasingly trading down from full-service restaurants, in favour of casual dining, quick-service or fast food options to maintain the experience of eating out, at a lower cost. Combined with this, consumers have heightened expectations of the foodservice industry, regardless of restaurant type. Consumers in both countries are looking for innovative menu options in terms of flavour, natural and/or organic ingredients, healthier selections, and ethnic diversity, and all within an exceptional atmosphere. Thus, both Canadians and Americans are seeking a premium experience without the premium price tag, and members of the foodservice industry are responding. Such gourmet options are appearing on menus of all restaurant types, including fast food chains, in order to bring panache to the pedestrian (Euromonitor 2009a; 2009b; Sloan, 2006).

McDonald's, for example, a fast food staple, has upgraded the interior décor of most outlets, and now offers consumers artisan-inspired sandwiches, premium salads, and healthier sides such as apple slices, alongside their typical fare. Even the 540-calorie Big Mac burger is promoted for the ever-discerning consumer, using descriptive labels such as *fresh*, *quality*, and *100% pure beef* with "no additives, no filler, no binding agents" (Euromonitor, 2009a; McDonald's, 2010).

Another foodservice trend resulting from the pursuit of premium products, and driven particularly by Baby Boomers, is the appearance and rising popularity of upscale comfort foods. That is, traditional favourites with a gourmet twist, offering consumers the best of both worlds. For example, vendors are putting a high-end spin on such time-honoured recipes as meat loaf, with ingredients like bison or Black Angus beef, or supplementing macaroni and cheese dishes with ethnic sausages, hot peppers and blue and/or goat cheeses (Sloan, 2006). These affordable luxuries allow consumers to indulge in the familiarity of an old favourite, while simultaneously, satisfying their desires for dietary exoticism.

Propelled by health and wellness concerns, coupled with consumers' unwillingness to sacrifice taste or quality for nutrition, miniature desserts are also establishing a solid presence in restaurants. These extremely popular items offer consumers a way to indulge their sweet-tooth in a reasonable, controlled portion. These miniaturized options generally have the same caloric content per unit weight as the larger version, but the indulgence is perceived as more manageable, making consumers more likely to treat themselves. This trend also reaffirms the importance of taste as a factor in the decision-making process when it comes to making food choices, even within a culture of health-conscious consumers (Euromonitor, 2009a).

While going out to eat is a common occurrence in both countries, for the sake of convenience, consumers are also turning to the take-out or home-delivery options offered by various restaurants. A popular means of maximizing time, take-out and home-delivery offer consumers all the benefits of eating out, without having to sit in a restaurant and wait to be served. For time-pressed consumers, simply "picking something up" is often a viable alternative to preparing meals on their own. This is evidenced by the 45% of Canadians who consume takeout or home delivery at least once a week.

Fast-food is still a popular option in the take-out and home-delivery market, (in 2007, 73% of fast food sales in the U.S. were take-out sales), with pizza as the dominant food choice in both countries. But take-out from casual dining restaurants is gaining share, reflecting the high expectations consumers have with regards to food, and that confirming that take-out or home-delivered cuisine is not exempt from such quality requirements. In Canada, 28% of meals purchased at casual dining restaurants in 2007 were eaten at home (Euromonitor, 2009a; 2009b).



Topmost: Exterior décor of a McDonald's franchise in Vancouver.  
Above: Premium interior seating at a McDonald's franchise in downtown Chicago.

Source: Planet Retail, 2010



## ► CONCLUSIONS

Both the domestic and American markets offer a wealth of opportunities for the Canadian agri-food industry. It is important, however, that the needs and subsequent trends expressed in each country are not interpreted as a homogenous whole. Both countries are at a very comparable “lifestage” in terms of demographics and development, thus driving aspects of consumer behaviour and attitudes in similar ways. However, historic socio-cultural variances between these two interconnected nations, result in two distinct consumer markets that express different demands (Reader’s Digest, 1998). Particularly, how consumers in each country define the concept of value will affect the expectations they have of food products, and their subsequent purchase decisions, especially during times of economic restraint. For example, while both countries increasingly require convenience-oriented products and seek foods with added benefits, Canadians are also looking for quality and nutritional value, while Americans still favour taste and quantity as the next most important factors in purchase decisions. There are significant prospects for food producers who can satisfy the demands of both countries, or for those who develop variations of a key product, targeting the unique priorities of Canada and the United States in their own right.

## ► REFERENCES

Agriculture and Agri-Food Canada [AAFC]. (2010a). *The Canadian Consumer – Behaviour, Attitudes and Perceptions Toward Food Products*. Market Analysis Report. 18 pp.

Agriculture and Agri-Food Canada [AAFC]. (2010b, January). *Consumer Foodservice: United States*. Market Indicator Report. 13 pp.

Agriculture and Agri-Food Canada [AAFC]. (2009). *What are Functional Foods and Nutraceuticals?* Retrieved 9 March 2010 from: [<http://www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id+1171305207040>]. 4 pps.

Ballenger, Nicole and James Blaylock. (2003, April ). “Consumer-Driven Agriculture: Changing U.S. Demographics Influence Eating Habits.” *Amber Waves*. Volume 1, Issue 2. pg. 28-33.

Bittman, Mark. (2009, March). “Eating Food That’s Better for You, Organic or Not.” *The New York Times (online)*. Retrieved 9 March 2010 from: [[http://www.nytimes.com/2009/03/22/weekinreview/22bittman.html?\\_r=1&pagewanted=print](http://www.nytimes.com/2009/03/22/weekinreview/22bittman.html?_r=1&pagewanted=print)]. 3 pps.

Central Intelligence Agency [CIA]. (2009a). Canada. *The World Factbook*. Retrieved from: [<https://www.cia.gov/library/publications/the-world-factbook/geos/ca.html>]. 14 pp.

Central Intelligence Agency [CIA]. (2009b). The United States. *The World Factbook*. Retrieved from: [<https://www.cia.gov/library/publications/the-world-factbook/geos/us.html>]. 16 pp.

Clarke, Richard. (2009, January 1). “Show me the benefits NOW, say consumers.” *Functional Ingredients Magazine*. Retrieved from: [<http://www.functionalingredientsmag.com/article/Viewpoint/show-me-the-benefits-now-say-consumers.aspx>]. 17 pp.

Euromonitor International. (2009a). *Consumer Lifestyles in the United States*.

Euromonitor International. (2009b). *Consumer Lifestyles - Canada*.

Euromonitor International. (2010).

Global Trade Atlas. (2010).

Heller, Lorraine. (2007, January). “Better-for-you foods top Mintel survey.” *Food Navigator.com*. Retrieved 9 March 2010 from: [<http://www.foodnavigator.com/content/view/print/113253>]. 1 pg.

Human Resources and Skills Development Canada [HRSDC]. (2007). “Learning – Educational Attainment,” in *Indicators of Well-Being in Canada*. Retrieved from: [<http://www4.hrsdc.gc.ca/.3ndic.1t.4r@-eng.jsp?iid=29>].

Information Resources Inc. [IRC]. (2009, November) “Millennial Women Shoppers: Preparing for the Upcoming Surge in Millennial Shopper Spending.” *Thought Leadership Report, Executive Summary*: Powerpoint Presentation.

McDonald’s Canada. (2010). “Food Quality.” Retrieved 26 February 2010, from: [<http://www.mcdonalds.ca/en/food/index.aspx>].



## ▶ REFERENCES (continued...)

- McDonald's United States. (2010). "Quality Food." Retrieved 26 February 2010, from: [<http://www1.mcdonalds.com/qualityfood/index.jsp>].
- Mintel Global New Products Database. (2010).
- The NDP Group. (2008). *U.S. and Canada: Comparison of General Consumption Habits and Nutritional Attitudes*. Powerpoint Slideshow. 80 pp.
- Planet Retail. (2010).
- Reader's Digest. (1998, September). *A Matter of Taste: Catering to the Cultural Palate. A Summary of the 1998 Consumerline Survey by Food and Consumer Products Manufacturers of Canada*.
- Roberts Jr., William A. (2009, January). "Discovering the Trends." *Prepared Foods.com* Retrieved from: [[http://www.preparedfoods.com/Articles/Feature\\_Article/BNP\\_GUID\\_9-5-2006\\_A\\_1000000000000507036](http://www.preparedfoods.com/Articles/Feature_Article/BNP_GUID_9-5-2006_A_1000000000000507036)]. 7 pp.
- Sloan, Elizabeth. (2006). "America Eats." *Food Technology*. pg. 18 - 27
- Statistics Canada. (2006). "Average Expenditure per Household, Canada, Provinces and Territories, Recent Years," in *Spending Patterns in Canada, 2005*. Retrieved 2010, February 1 from: [[http://www.statcan.gc.ca/cgi-bin/af-fdr.cgi?l=eng&loc=http://www.statcan.gc.ca/pub/62-202-x/62-202-x2004000-eng.pdf&t=Spending\\_Patterns\\_in\\_Canada](http://www.statcan.gc.ca/cgi-bin/af-fdr.cgi?l=eng&loc=http://www.statcan.gc.ca/pub/62-202-x/62-202-x2004000-eng.pdf&t=Spending_Patterns_in_Canada)]. pg. 21.
- Statistics Canada. (2009a). "Average Expenditure per Household, Canada, Provinces and Territories, Recent Years," in *Spending Patterns in Canada, 2008*. Retrieved 2010, February 1 from: [[http://www.statcan.gc.ca/cgi-bin/af-fdr.cgi?l=eng&loc=http://www.statcan.gc.ca/pub/62-202-x/62-202-x2007000-eng.pdf&t=Spending\\_Patterns\\_in\\_Canada](http://www.statcan.gc.ca/cgi-bin/af-fdr.cgi?l=eng&loc=http://www.statcan.gc.ca/pub/62-202-x/62-202-x2007000-eng.pdf&t=Spending_Patterns_in_Canada)]. pg. 21.
- Statistics Canada. (2009b). *Canada Year Book 2009*. Minister of Industry.
- Statistics Canada. (2009c). "Food Statistics. 2008" Retrieved 2010, April 28 from: [<http://www.statcan.gc.ca/bsolc/olc-cel/olc-cel?catno=21-020-XIE&lang=eng>]. 45 pgs.
- Statistics Canada. (2009d). "Weekly hours of hourly paid employees, average, by province and territory." *Summary Table*. Retrieved from: [<http://www40.statcan.ca/l01/cst01/labr82-eng.htm>]. 1 pg.
- Statistics Canada (2010). "Projections of the Diversity of the Canadian Population, 2006 to 2031." 78 pp.
- United States Census Bureau (2001a). "Section 1: Population," in *Statistical Abstract of the United States: 1999*. Retrieved from: [<http://www.census.gov/prod/99pubs/99statab/sec01.pdf>]. 71 pp.
- United States Census Bureau (2001b). "Section 4: Education," in *Statistical Abstract of the United States: 1999*. Retrieved from: [<http://www.census.gov/prod/99pubs/99statab/sec04.pdf>]. 50 pp.
- United States Census Bureau. (2010a). United States.: ACS Demographic and Housing Estimates 2008. Retrieved from: [[http://factfinder.census.gov/servlet/ADPTable?\\_bm=y&-qr\\_name=ACS\\_2008\\_1YR\\_G00\\_DP5&-geo\\_id=01000US&-ds\\_name=ACS\\_2008\\_1YR\\_G00\\_&-lang=en&-redoLog=false](http://factfinder.census.gov/servlet/ADPTable?_bm=y&-qr_name=ACS_2008_1YR_G00_DP5&-geo_id=01000US&-ds_name=ACS_2008_1YR_G00_&-lang=en&-redoLog=false)]. 3 pp.
- United States Census Bureau. (2010b). United States.: Selected Social Characteristics in the United States 2008. Retrieved from: [[http://factfinder.census.gov/servlet/ADPTable?\\_bm=y&-geo\\_id=01000US&-qr\\_name=ACS\\_2008\\_3YR\\_G00\\_DP3YR2&-ds\\_name=ACS\\_2008\\_3YR\\_G00\\_&-lang=en&-redoLog=false](http://factfinder.census.gov/servlet/ADPTable?_bm=y&-geo_id=01000US&-qr_name=ACS_2008_3YR_G00_DP3YR2&-ds_name=ACS_2008_3YR_G00_&-lang=en&-redoLog=false)]. 5 pp.
- United States Department of Agriculture – Economic Research Service. (2010, February). "Food Availability: Spreadsheets." Retrieved 2010, April 28 from: [<http://www.ers.usda.gov/Data/FoodConsumption/FoodAvailSpreadsheets.htm#fruitfr>].
- United States Department of Labor – Bureau of Labor Statistics. (2006). "Average Annual Expenditures and Characteristics of all Consumer Units, Consumer Expenditure Survey 2000-2005." Retrieved 2010 January 27 from: [[www.bls.gov/cex/2005/Standard/multiyr.pdf](http://www.bls.gov/cex/2005/Standard/multiyr.pdf)]. 5 pp.
- United States Department of Labor – Bureau of Labor Statistics. (2009). "Average Annual Expenditures and Characteristics of all Consumer Units, Consumer Expenditure Survey 2006-2008." Retrieved 2010 January 27 from: [[www.bls.gov/cex/2008/Standard/multiyr.pdf](http://www.bls.gov/cex/2008/Standard/multiyr.pdf)]. 5 pp.
- United States Department of State. (2008, November). Background Notes: Canada. *Country Background Notes*. 10 pp.



▶ ANNEX 1: COMPARATIVE SNAPSHOT

	CANADA	U.S.	
<b>GLOBAL TRADE POSITION</b>			<b>GLOBAL TRADE POSITION</b>
National GDP (\$US 2009)	1.5 trillion	14.4 trillion	National GDP (\$US 2009)
GDP Per Capita (\$US 2009)	39 000	48 000	GDP Per Capita (\$US 2009)
<b>AGRIFOOD &amp; SEAFOOD PRODUCTS</b>			<b>AGRIFOOD &amp; SEAFOOD PRODUCTS</b>
Approx. Total Trade Value (\$CAD 2009)	70 billion	222 billion	Approx. Total Trade Value (\$CAD 2009)
Approx. Exports Value (\$CAD 2009)	39 billion	121 billion	Approx. Exports Value (\$CAD 2009)
Approx. Imports Value (\$CAD 2009)	30 billion	100 billion	Approx. Imports Value (\$CAD 2009)
<b>POPULATION (2008/2009)</b>	33 million	307 million	<b>POPULATION (2008/2009)</b>
Under 18	21.0%	27.0%	Under 19
19-34	24.0%	20.0%	20-34
35-49	23.0%	14.0%	35-44
50-64	19.0%	26.0%	45-64
65+	13.0%	13.0%	65+
<b>LIFE EXPECTANCY (2009)</b>	81	78	<b>LIFE EXPECTANCY (2009)</b>
Men	78	75	Men
Women	83	80	Women
<b>PRIMARY ETHNIC GROUP (2008)</b>	Asian	Hispanic	<b>PRIMARY ETHNIC GROUP (2008)</b>
<b>LANGUAGE USED AT HOME (2008)</b>			<b>LANGUAGE USED AT HOME (2008)</b>
English	67.1%	82.1%	English
French	21.5%	10.7%	Spanish
Other	11.4%	7.2%	Other
<b>EDUCATION LEVELS aged 15 and up (2007)</b>			<b>EDUCATION LEVELS aged 25 and up (2008)</b>
Less than high school	22%	15.10%	Less than high school
High school diploma	20%	28.5%	High school diploma
Some post-secondary	8%	21.3%	Some post-secondary
College/Trade Certificate	31%	35.2%	Associate/Bachelor/Graduate degree
University Degree	19%	----	
<b>HOUSEHOLDS</b>			<b>HOUSEHOLDS</b>
Avg Persons per Household (2008)	2.5	2.6	Avg Persons per Household (2008)
Birth rate (2009)	1.6	2.1	Birth rate (2009)
<b>HOUSEHOLD TYPES (2009)</b>			<b>HOUSEHOLD TYPES (2009)</b>
Single People	27.2%	27.1%	Single People
Couples without children	31.2%	27.5%	Couples without children
Couples with children	27.4%	22.1%	Couples with children
Single-parent families	5.5%	9.6%	Single-parent families
Other	8.8%	13.8%	Other
<b>HEALTH (age 15 and up, 2009)</b>			<b>HEALTH (age 15 and up, 2009)</b>
Overweight (BMI 25-30)	32.3%	43.2%	Overweight (BMI 25-30)
Obese (BMI 30+)	21.8%	38.7%	Obese (BMI 30+)
<b>CONSUMPTION EXPENDITURES Per household (2008)</b>			<b>CONSUMPTION EXPENDITURES Per household (2008)</b>
Housing and Household Operations	38.2%	39.7%	Housing and Household Operations
Transportation	19.0%	19.9%	Transportation
Food	14.6%	14.9%	Food
Recreation/Entertainment	7.9%	6.6%	Recreation/Entertainment
Clothing	5.6%	4.2%	Clothing
Health Care	4.0%	6.9%	Health Care
Personal Care	2.3%	1.4%	Personal Care



▶ ANNEX 1: COMPARATIVE SNAPSHOT (continued...)

	CANADA		U.S.	
<b>CONSUMPTION EXPENDITURES (continued) Per household (2008)</b>				<b>CONSUMPTION EXPENDITURES (continued) Per household (2008)</b>
Education	2.3%	2.4%		Education
Misc. Expenditures	2.6%	1.9%		Misc. Expenditures
Alcohol	1.8%	1.0%		Alcohol
Tobacco and Smoking Products	1.2%	0.7%		Tobacco and Smoking Products
Reading	0.5%	0.3%		Reading
<b>FOOD SPENDING BY CATEGORY as % of total spending on food and non-alcoholic beverages (2009)</b>				<b>FOOD SPENDING BY CATEGORY as % of total spending on food and non-alcoholic beverages (2009)</b>
Bread and Cereals	16.1%	17.6%		Bread and Cereals
Meat	21.2%	19.7%		Meat
Fish and Seafood	4.9%	1.8%		Fish and Seafood
Milk, Cheese and Eggs	14.9%	9.9%		Milk, Cheese and Eggs
Oils and Fats	1.3%	2.2%		Oils and Fats
Fruit	12.5%	5.2%		Fruit
Vegetables	10.3%	8.5%		Vegetables
Sugar and Confectionery	4.2%	6.0%		Sugar and Confectionery
Coffee, Tea, and Cocoa	1.5%	1.5%		Coffee, Tea, and Cocoa
Mineral Waters, Soft Drinks, Juices	3.9%	10.6%		Mineral Waters, Soft Drinks, Juices
Other Food	9.3%	17.1%		Other Food
<b>HOUSEHOLD SPENDING IN KEY CATEGORIES (2009) US\$ 2009 fixed rate</b>				<b>HOUSEHOLD SPENDING IN KEY CATEGORIES (2009) US\$ 2009 fixed rate</b>
Fish and Seafood	\$266.30	\$104.10		Fish and Seafood
Vegetables	\$559.40	\$482.20		Vegetables
Bread and Cereals	\$751.20	\$998.00		Bread and Cereals
Fruit	\$587.30	\$296.30		Fruit
Other Foods	\$505.40	\$970.00		Other Foods
<b>KEY CATEGORY VALUE GROWTH (2009) From 1994-2009</b>				<b>KEY CATEGORY VALUE GROWTH (2009) From 1994-2009</b>
Fish and Seafood	149.2%	34.1%		Fish and Seafood
Vegetables	49.3%	81.6%		Vegetables
Bread and Cereals	66.7%	64.0%		Bread and Cereals
Fruit	54.8%	45.8%		Fruit
Other Foods	-19.5%	56.4%		Other Foods
<i>Projections for growth from 2009-2019</i>				<i>Projections for 2009-2019</i>
Fish and Seafood	88.3%	19.4%		Fish and Seafood
Vegetables	17.3%	40.7%		Vegetables
Bread and Cereals	30.1%	38.8%		Bread and Cereals
Fruit	28.6%	27.9%		Fruit
Other Foods	-24.4%	29.7%		Other Foods
<b>PER CAPITA FOOD CONSUMPTION</b>				<b>PER CAPITA FOOD CONSUMPTION</b>
Fruit (2009)	80.3 kg	56.2 kg		Fruit (2009)
Vegetables (2009)	113.4 kg	67.5 kg		Vegetables (2009)
Meats (2009)	77.3 kg	84.2 kg		Meats (2009)
Fish and Seafood (2009)	20.3 kg	5.1 kg		Fish and Seafood (2009)
Alcoholic Beverages (aged 15+ 2009)	89.6 litres	92 litres		Alcoholic Beverages (aged 15+ 2009)
Fluid Milk (2008)	82.0 litres	78.2 litres		Fluid Milk (2007)



▶ ANNEX 2: NEW PRODUCT LAUNCHES

**Number of New Product Launches by Claim Category and Comprising Sub-Categories, Canada and the United States, 2000 and 2009**

Product Claim Category	CANADA		UNITED STATES	
	2000	2009	2000	2009
<b>Organic</b>	53	238	706	1086
<b>Fresh and Natural</b>	47	688	1534	3411
All Natural	18	231	899	1623
No Additives/Preservatives	29	457	635	1788
<b>Better-For-You (Minus)</b>	212	1460	1916	5054
Low/No/Reduced Calorie	32	106	164	568
Low/No/Reduced Carbohydrate	---	1	18	53
Low/No/Reduced Cholesterol	28	163	401	625
Low/No/Reduced Fat	115	326	942	1225
Low/No/Reduced Glycemic	---	1	2	35
Low/No/Reduced Sodium	1	84	100	293
Low/No/Reduced Sugar	33	175	259	417
Low/No/Reduced Transfat	---	430	1	1268
Wholegrain	3	174	29	570
<b>Fortified Foods (Added)</b>	31	99	255	380
Added Calcium	13	7	112	50
Added Fibre	5	5	25	48
Prebiotic	---	16	---	19
Vitamin/Mineral Fortified	13	71	118	263
<b>Functional Foods</b>	4	124	73	571
Functional - Bone Health	---	15	4	31
Functional - Brain & Nervous System	---	9	---	40
Functional - Cardiovascular	---	21	4	129
Functional - Digestive	---	25	---	113
Functional - Immune System	---	7	4	60
Functional - Other	4	13	26	65
Weight Control	---	34	35	133
<b>TOTAL UNIQUE PRODUCT LAUNCHES</b>	<b>226</b>	<b>1391</b>	<b>2514</b>	<b>5327</b>

Source: Adapted from Mintel Global New Products Database, 2010

The Government of Canada has prepared this report based on primary and secondary sources of information. Although every effort has been made to ensure that the information is accurate, Agriculture and Agri-Food Canada assumes no liability for any actions taken based on the information contained herein.

**Comparative Consumer Profile: Canada and the United States**

© Her Majesty the Queen in Right of Canada, 2010

ISSN 1920-6593 Market Analysis Report

AAFC No. **11239E**

**Photo Credits**

All Photographs reproduced in this publication are used by permission of the rights holders.

All images, unless otherwise noted, are copyright  
Her Majesty the Queen in Right of Canada.

For additional copies of this publication or to request an alternate format,  
please contact:

Agriculture and Agri-Food Canada  
1341 Baseline Road, Tower 5, 4th floor  
Ottawa, ON  
Canada K1A 0C5  
E-mail: [infoservice@agr.gc.ca](mailto:infoservice@agr.gc.ca)

Aussi disponible en français sous le titre :

**Profil comparatif des consommateurs : Canada et États-Unis**

*Canada* 