

Industry Insights

A roundup of noteworthy Canadian foodservice findings for the week of April 24, 2023

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Food prices show signs of slowing

Despite recent deceleration, food inflation remains elevated throughout Canada. The price of food continues to outpace the general CPI, which rose by 4.3% in March 2023.

Prices for groceries grew 9.7% in March. This is a slight deceleration from its nearly 11% mark in February, primarily driven by lower prices for fresh fruits and vegetables.

Grocery prices peaked in fall 2022, hitting an 11.4% increase in September and November of last year.

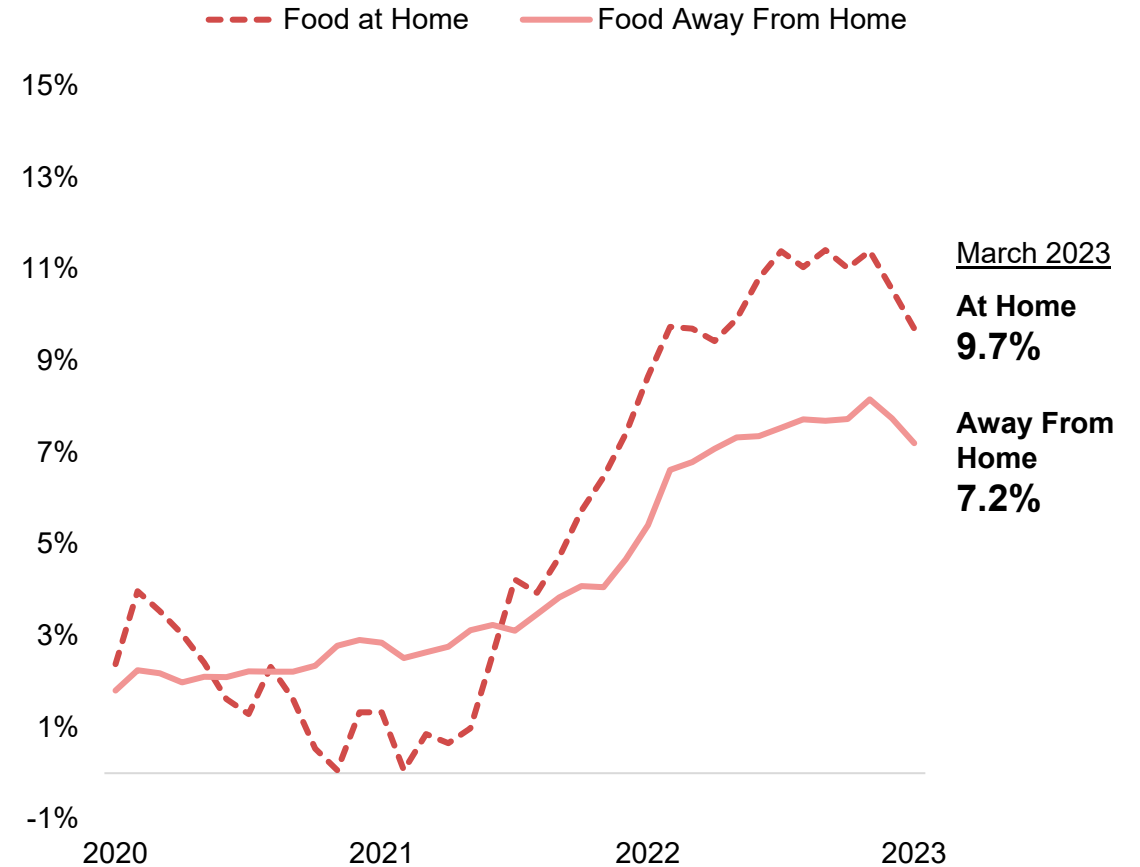
Prices at restaurants similarly showed signs of slowing down, increasing by 7.2% in March after a 7.7% increase in February.

Menu prices peaked in January 2023, but have been hovering around 8% since October 2022.

[Ignite Company clients: Click here for more](#)

Source: Technomic Ignite Company and Statistics Canada

CANADIAN FOOD PRICE INDICES
YEAR-OVER-YEAR CHANGE



IGNITE MENU

Both classic and innovative burger ingredients grow

Due to their versatility, burgers are ideal for a variety of unique ingredients and toppings, with the fastest-growing ingredients on burgers ranging from indulgent items to healthy choices and upscale offerings to classic combinations.

Pulled pork claims the top spot among the fastest-growing ingredients on burgers, demonstrating a trend of meat-on-meat offerings. This extra indulgent burger option takes comfort food to the next level.

Tartar sauce is also one of the fastest-growing burger ingredients, most often

as a topping on seafood burgers. Typically made with cod or salmon, these burgers appeal to consumers looking to eat less meat or lighter options.

Plant-based beef is also on the rise as a burger ingredient—another example of an option for restaurant guests looking to eat less meat.

Arugula is a veggie showing growth on burgers, perhaps as a more unique replacement for traditional lettuce. The leafy green is often featured alongside other more upscale burger ingredients, including brie, bacon jam and pancetta.

Finally, a more classic burger topping on the rise is provolone cheese. The mild cheese pairs well with a variety of different toppings, with its versatility making it a growing ingredient for all manner of burger types.

FASTEST-GROWING INGREDIENTS ON BURGERS

Pulled Pork **+48%**

Tartar Sauce **+38%**

Plant-Based Beef **+20%**

Provolone **+19%**



Arugula
+26%

[Ignite Menu clients: Click here for more](#)

Source: Technomic Ignite Menu data, Q4 2021-Q4 2022
Image Source: Shutterstock

IGNITE CONSUMER

Younger guests most value new product launches

Millennials, more than any other generation, rate restaurants offering new and exciting products as a traffic driver. Many members of this cohort are building careers and raising families, making them want to maximize their restaurant experience by ordering items they can't easily replicate at home.

In general, new product launches are more of a restaurant traffic driver for younger consumers than their older counterparts. This corresponds with

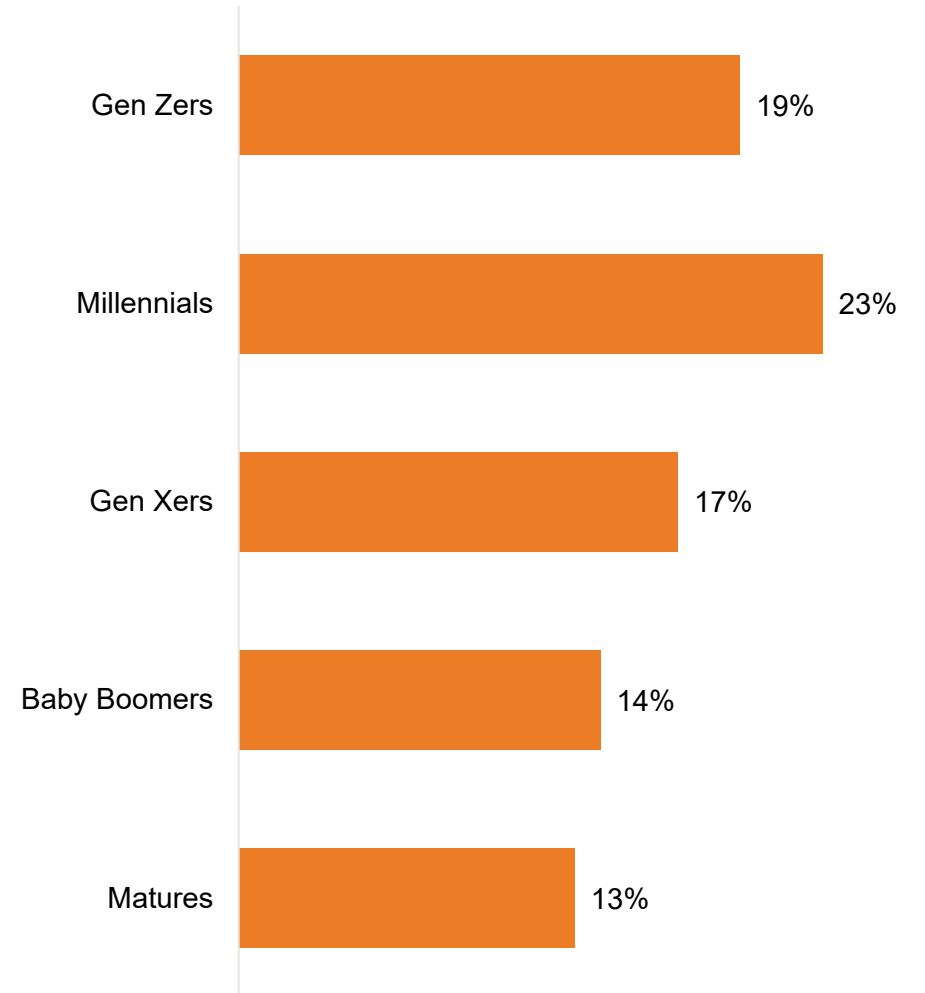
Gen Zers, millennials and Gen Xers tending to be more adventurous diners than baby boomers and matures.

Many restaurant brands are busy launching new LTOs to drive traffic this spring. For instance, Popeyes added a new Ghost Pepper Chicken Sandwich, Chick-fil-A released new Watermelon Mint beverages, and Earls has a Tokyo Cosmo cocktail made with Absolut Citron vodka, yuzu, pink citrus and cranberry.

[Ignite Consumer clients: Click here for more](#)

Base: 7,750 respondents 18+; Varies by brand
Source: Technomic Ignite Consumer, Q1 2023-Q2 2022

IMPORTANCE OF OFFERING NEW AND EXCITING PRODUCTS AS A RESTAURANT DRIVER % WHO RATED VERY IMPORTANT



Fermented foods in the global spotlight



After having received global attention during the height of the pandemic, fermented foods and drinks have blossomed into a full-fledged trend influencing menu development around the world. Here's a look at some of the major aspects of this trend:

Among fermented drinks, kombucha has collectively taken up the most menu space, as operators like France-based [Columbus Cafe & Co.](#) and [Cojean](#) have rolled out extensive kombucha lines in recent months alongside one-off releases like those from China-based [Wagas](#).

In Argentina, local bakery-cafe Le Ble collaborated with local producer Bravia Kombucha to serve up a [kombucha and gin LTO](#) in a move that underscores operators' willingness to broaden their use of kombucha into adult beverage builds.

Alongside kombuchas, chains have also introduced other fermented drinks, like ginger ales in the [U.K.](#), [Japan](#) and [France](#), as well as a selection of [kefirs](#) in France.

Additionally, in Japan, [Starbucks](#) rolled out an [LTO](#) starring goishicha, a rare fermented tea produced in Otoyoy, and [McDonald's](#) offered a [frappe](#)

highlighting its use of French fermented butter in two standout examples of how this trend can incorporate uncommonly niche products.

Just as fermented drinks have expanded their presence on global menus, some global operators, particularly in Latin America and Europe, have emphasized their use of fermented foods, especially sourdough.

On menus, this has looked like operators adding sourdoughs as standalone menu items, as with Mexico bakery chain El Globo's [series of five rustic sourdough breads](#), or as sides paired with other menu items, as U.K.-

based [Vintage Inns](#) and Australia-based [Coffee Club](#) have recently introduced.

Sourdough bases have appeared on [pizza crusts](#), [panini](#) and a [variety of other handhelds](#), and some operators have even sought to capitalize on this trend by calling out burger buns as "[sourdough-style](#)."

Only Technomic can track emerging menu trends around the world with over 45,000 new and limited-time menu items from 25 different countries at the ready to keep clients informed and ahead of their competition. [Learn more here](#).

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Source: Technomic Global Foodservice Navigator Program
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312-876-0004

info@technomic.com

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