COFFEE INDUSTRY IN CANADA

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AICC
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EXECUTIVE SUMMARY

The project “Portuguese Coffee - a blend of stories to the world ”aims to reinforce the positioning of Portuguese Coffee in consolidated markets and to approach new markets, with a sustained strategy of approaching opportunities and distribution channels, through the recognition and valorization of a collective brand.

Within the scope of this project, the present study will focus the most relevant aspects of the coffee market in Canada, based on up-to-date objective data, referring to the Consumer, Distribution and Operators and, in a parallel analysis, will transmit relevant recommendations to support Portuguese SME on defining strategies for approach and market penetration.

KEYWORDS

Canada coffee market; Economic information; Market research; Retail, horeca and travel retail channels; Business intelligence; Opportunities and constraints; Portuguese Coffee brand; Consumers; Importers; Prescribers

AGENDA

CONTEXT

DEFINITION OF MANDATE

This report was carried out in order to meet the following expectations :

- Have a better understanding of the coffee industry in Canada by analyzing the main trends, preferences and habits in Canadian coffee consumption.
- Identify the main players in the industry.
- Have a better understanding of the main sales and distribution channels.

METHODOLOGY

The market research includes :

- ✓ Secondary information analysis
- ✓ An analysis of specialized studies
- ✓ In-depth research on the market and its trends, competition and potential customers.

- Euromonitor International
- IBISWorld
- Statista
- Coffee Association of Canada
- Dun & Bradstreet
- Marketline
- Coffee Business Intelligence
- Franchise direct Canada
- Stat Investor
- Mokaflor Italian Coffee Magazine
- Export Development Canada
- Trading Economics
- NDP Group
- Canadian Grocer
- Trade Map
- The World Fact Book (CIA)
- Statistics Canada

CANADA : COUNTRY PROFILE

POLITICAL LANDSCAPE

GOUVERNEMENT

Canada is a democratic country with a parliamentary system in place. It is a constitutional monarchy and the Head of State is Queen Elizabeth II.

Prime Minister: Justin Trudeau is the head of government and holds executive power. In May 2020, the Prime Minister, Justin Trudeau, announced important measures within agriculture programs and an investment of more than CAD252m (US$180.50m) to support farmers, food businesses, and food processors who provide essential services to Canadians by ensuring a safe and reliable food supply during the coronavirus outbreak.

SOCIAL TENSIONS

Canada has a very good political stability. In fact, it is one of the safest countries in the world. With a low crime rate and reliable police services, Canada is positioned as a very good place for business and tourism. It is worth mentioning that Canada's focus on international peacekeeping has earned it a very good global image.

IMMIGRATION

Annual immigration to Canada is about 300,000 new immigrants - one of the highest rates per population of any country in the world. In 2019, there were just under eight million immigrants with permanent residence in Canada, or about 21.5% of the total Canadian population. Public opinion on Canada's migration levels is divided: 40% believe the numbers should be lower, while 39% are satisfied with the current level.

Source: Statista, Statistics & facts, November 2020

POLITICAL LANDSCAPE

Political analysis of Canada	
Current strengths	**Current challenges**
• Strong democratic setup • Vibrant international relations	• Environmental policy, the country must face an increase in greenhouse gas emissions (691 megatons in 2010 vs. 729 in 2018) • Preserve diversity while maintaining national unity between French and English speaking Canadians but also with the integration of the Amerindian population. • Comparatively high level of terrorism threats amidst stringent laws
Future prospects	**Future risks**
• Maintaining Democracy, Reviving U.S.-Canadian Relations with the Election of Joe Biden • Emergence of new political classes	• Overcome the health crisis that has brought down the economy • Labour shortage in some sectors • Differences between the federal and provincial governments over various policies

Source: Marketline

ECONOMIC LANDSCAPE

GDP per Capita : **US$ 50 317.70** (Adjusted by PPP, 2019)	Principal industries (% of GDP) : automotive sector, spare parts, gold, industrial machinery, and crude oil	Currency : **1 euro = 1,49 canadian dollar** (March 22, 2021)

- **Canadian consumer price index (CPI):** The Canadian average annual CPI in 2020 was 137.7. The CPI rose at a faster pace year over year in February 2021 (+1.1%) than in January (+1.0%) 2021. The CPI rose 0.7% in 2020 on an average annual basis, following an increase of 1.9% in 2019. In 2020, the CPI rose at the slowest pace since 2009, during the economic downturn.

- **Unemployment:** Canada's unemployment rate jumped to 13.7 per cent in May 2020, a level not seen since 1976 when comparable data was first released, Statistics Canada reveals. In February, before the COVID-19 pandemic hit the country, the unemployment rate was only 5.6%. In January and February 2021, the unemployment rate reached 9,4% and 8,2% respectively. In January 2021, the number of Canadians working from home rose by nearly 700,000 to 5.4 million, surpassing the 5.1 million who worked from home during the initial lockdowns in April 2020.Telework capacity in accommodation and food services is about 5%. As of January 2021, employment was still down one third from pre-pandemic levels, and the sector accounted for 45% of net employment losses since COVID-19 began.}

- **Inflation:** Headline consumer inflation has averaged 0.5% since COVID-19 began impacting the Canadian economy in March 2020, largely reflecting the impact of lower gas prices on the headline rate. Excluding gasoline, consumer inflation has averaged 1.1% since the start of the pandemic.

- **Growth:** The historic declines in output, employment and hours worked that resulted from the economic shutdown in the spring of 2020 affected virtually all sectors of the economy. The Canadian economy expanded at a record of 8.9% in Q3 2020, following a record 11.3% drop in the previous period, reflecting reopening of the economy. The Canadian economy expanded at a rate of 2.3 % in Q4 of 2020. Canada’s 2021 economic outlook is similar to that of other developed countries: the economy should grow sufficiently to largely offset the losses of 2020. The latest estimate of the National Bank of Canada outlook for 2021 GDP growth in Canada is 5.4%.There is no doubt that the strength of the economic recovery will depend above all on the evolution of the pandemic. Currently, economic activity remains below pre-pandemic levels.

Source : Marketline, EDC, Statistics Canada, National Bank of Canada Trading Economics

ECONOMIC LANDSCAPE

Economic analysis of Canada	
Current strengths	**Current challenges**
• Strong, well-capitalized banking sector with rigorous supervision • Close proximity to the large US market • Broad-based development of trade relations (CETA with the EU) • Excellent business environment • Robust infrastructure development program • Improving fiscal scenario • The country has allocated billions for stimulus and support measures to companies affected by the COVID-19 crisis.	• The Canadian economy is currently highly dependent on the US for international trade. • Loss of competitiveness of manufacturing companies due to low labor productivity • Decrease in the share of the working population, just slowed down by high selective immigration • High household debt (170% of disposable income) / Very high housing prices • Dual shock with low oil prices and reduced economic activity due to COVID-19 outbreak
Future prospects	**Future risks**
• Export diversification • The the country's Export Diversification Strategy the country has planned to broaden its reach by achieving 50% more overseas exports by 2025 • Canada has a total of 14 free trade agreements with 51 countries and 36 foreign investment promotion and protection agreements (FIPAs)	• For the food services and drinking places, reluctance from consumers to dine indoors • Majority of food services and drinking places uncertain of business survival • Changing government restrictions • Growing deficit due to high stimulus packages to combat COVID-19 outbreak

Source: Marketline

ECONOMIC LANDSCAPE

Commercial exchanges / Trade

Canada's major trading partners are:

- The United States: 75% of exports and 51% of imports
- China: 3.9% of exports and 12% of imports.
- The United Kingdom is Canada's third-largest export trading partner (3.3%)
- Mexico is Canada's third-largest import trading partner (6.1%)

Canada's total product imports from Portugal reached 596 million CAD in 2020, which is equivalent to 399 million EUR. This marks an annual growth of 2% from 2015 to 2019.

The top three product category imported to Canada from Portugal includes:

- Beverages, spirits and vinegar
- Articles of apparel and clothing accessories knitted or crocheted
- Footwear, gaiters and the like; parts of such articles

Canada's total product exports to Portugal reached $188.2 M CAD in 2020, which corresponds to more than 125 million EUR.

Portugal accounts for less than 1% share in Canada's exports.

Source : Statistique Canada

ECONOMIC LANDSCAPE

- The economy has been hit hard by the COVID19 crisis.

- Canada is a member of the Organization for Economic Cooperation and Development (OECD), the World Trade Organization (WTO), the G20 and the Commonwealth of Nations. It also has free trade agreements with many countries. Canada signed a free trade agreement called the Comprehensive Economic and Trade Agreement (CETA) with the EU in September 2017. This agreement aims to make it easier to export goods and services to benefit people in Canada and the EU.

- The fact that Canada has signed a free trade agreement will allow Portuguese coffee products not to suffer from certain taxes that would make them more expensive for Canadian customers, so the cost structure will not be affected.

Source : Global Affairs Canada

SOCIAL LANDSCAPE

Demographics

- Canada has a population of 38,145,762 inhabitants as of Q1 2021.
- The most populated province is Ontario, followed by Quebec and British Columbia.
- Canada has a median age of 41.8 years (2020) and has a population growth rate of 0.77% (2021).

Population of provinces and territories (March 23rd, 2021)

Provinces and territories	Population
Newfoundland and Labrador	520,404
Prince Edward Island	160,103
Nova Scotia	981,864
New Brunswick	783,505
Quebec	8,586,945
Ontario	14,796,415
Manitoba	1,382,137
Saskatchewan	1,180,345
Alberta	4,448,056
British Columbia	5,178,900
Yukon	42,335
Northwest Territories	45,203
Nunavut	39,558

Sources :The World Fact Book & Statistics Canada

SOCIAL LANDSCAPE

Social analysis of Canada	
Current strengths	**Current challenges**
• Efficient social welfare system • High HDI score • Flexible employment protection	• Regional disparities
Future prospects	**Future risks**
• Better healthcare services • National Housing Strategy	• Aging population • Increasing immigrant population

Source: Marketline

SOCIAL

Population

The major urban areas in Canada are Toronto, holding the first place with 6.255 million residents. Montreal holds the second place with 4.247 million. The subsequent most populated cities are Vancouver (2.606 million), Calgary (1.581 million), Edmonton (1.491 million) and Ottawa (capital) (1.408 million) (2021).

- The University of Toronto is the best university in Canada, ranking 25th in the world.
- McGill University in Montreal is ranked 31st best in the world.
- The University of British Columbia (Vancouver) is ranked 45th in the world.
- The 2 official languages of Canada are French and English.

Source: The World Fact Book & Topuniversities

SOCIODEMOGRAPHIC

Key traits of the five Canadian consumer type

SECURE TRADITIONALIST (26 %)

- Avoids shopping
- Avoids strong or premium branded products
- Prefers to save rather than spend

EMPOWERED ACTIVIST (10 %)

- Feels they can make a difference
- Concerned with global issues
- Seeks products with green or eco-conscious labelling

UNDAUNTED STRIVER (18%)

- Image-conscious
- Likes to try new things
- Tech-savvy

CONSERVATIVE HOME BODY (21%)

- Prefers to follow
- Focuses on personal issues such as family and spirituality
- Not very image-conscious

BALANCED OPTIMIST (25%)

- Seeks quality items
- Values healthy living and personal wellbeing
- Seeks value for money

Source : Passport

LEGAL LANDSCAPE

Legal analysis of Canada du pays	
Current strengths	**Current challenges**
• Comprehensive legal framework for business entities • Favorable taxes and incentives for investors	• FDI restrictions in key sectors (telecoms, radio & broadcasting and aviation) • Loopholes in taxation system
Future prospects	**Future risks**
• Low tax wedge	• Absence of a single capital markets regulator. The responsibility for regulating the securities trade lies within the provinces.

Source: Marketline

CULTURAL FEATURES IN CANADA

Relationships, Respect and Communication

RELATIONSHIP

- Generally, business relationships are only moderately important in this country. They are usually not a necessary precondition for initial business interactions.Your counterparts' expectation could be to get to know you better as you do business together.
- They might emphasize near-term results over long-range objectives but are usually also interested in building long-term relationships.

RESPECT

- In the country's business culture, respect depends primarily on achievements and to a lesser degree, education. Rank and titles play a somewhat more important role here than they do in the United States.
- Admired personal traits include honesty, ambition if paired with humility, tolerance, and reasonableness. In addition, Canadians place a great deal of emphasis on the individual's responsibility to the community.

COMMUNICATION STYLE

- While usually friendly and polite, communications in Canada can be somewhat direct. Many Canadians dislike vague statements and might openly share their opinions and concerns. They might ask for clarifications and rarely find it difficult to say no when they dislike a request or proposal.

Source: The Global Culture Business Guide

CULTURAL FEATURES IN CANADA

Meetings and Negotiation

MEETINGS

- Scheduling meetings in advance is required. You can sometimes do this on short notice, especially if the parties had previous business interactions.
- Canadians generally expect visitors to be punctual.

NEGOTIATION

- To Canadians, negotiating is usually a joint problem solving process. Near-term and long-term benefits are usually equally important.
- Most people are cooperative and open to compromising in order to move a negotiation forward
- Since most Canadians believe in the concept of win-win, they expect you to reciprocate their respect and trust. While the negotiation exchange can include conflicts, you should keep a positive attitude and show willingness to work with the other side in an effort to reach agreement.

Source: The Global Culture Business Guide

CULTURAL FEATURES IN CANADA

Decision Making, Agreements and Contracts

DECISION-MAKING

- Canadian companies are usually not overly hierarchical. Nevertheless, they might have extensive policies and processes affecting decision-making. They are almost always followed.
- Decision makers are usually individuals who may or may not consult with others in the organization.
- Decision-making authority is often relegated to lower levels in the hierarchy and might not require any further approval from others. Generally, the size of a deal determines how high in the organization you need to go.
- Decisions are often made quickly.

CONTRACTS

- Many Canadians pride themselves with being consistent and keep their commitments.
- While you should not consider interim agreements final, avoid the impression that you are not willing to hold up your commitments.
- Nevertheless, only a contract signed by both parties constitutes a binding agreement.

Source: The Global Culture Business Guide

CULTURAL GUIDE IN CANADA

Here are a few key elements to guide your cultural behaviour with Canadian businesses

DO

- Communicate directly
- Freely share your ideas and defend them if needed, which is particularly likely with French Canadians
- Project a positive and friendly attitude

DON'T

- Employ aggressive or pushy negotiation tactics as these might work against you.
- Make physical contact with business contacts unless they are also close personal friends of yours
- Be loud and boisterous as you might lose the respect of your conterparts

Source: The Global Culture Business Guide

CONSUMER ANALYSIS

Canadian coffee consumption trends

CANADIAN CONSUMER

Profile of the average Canadian consumer

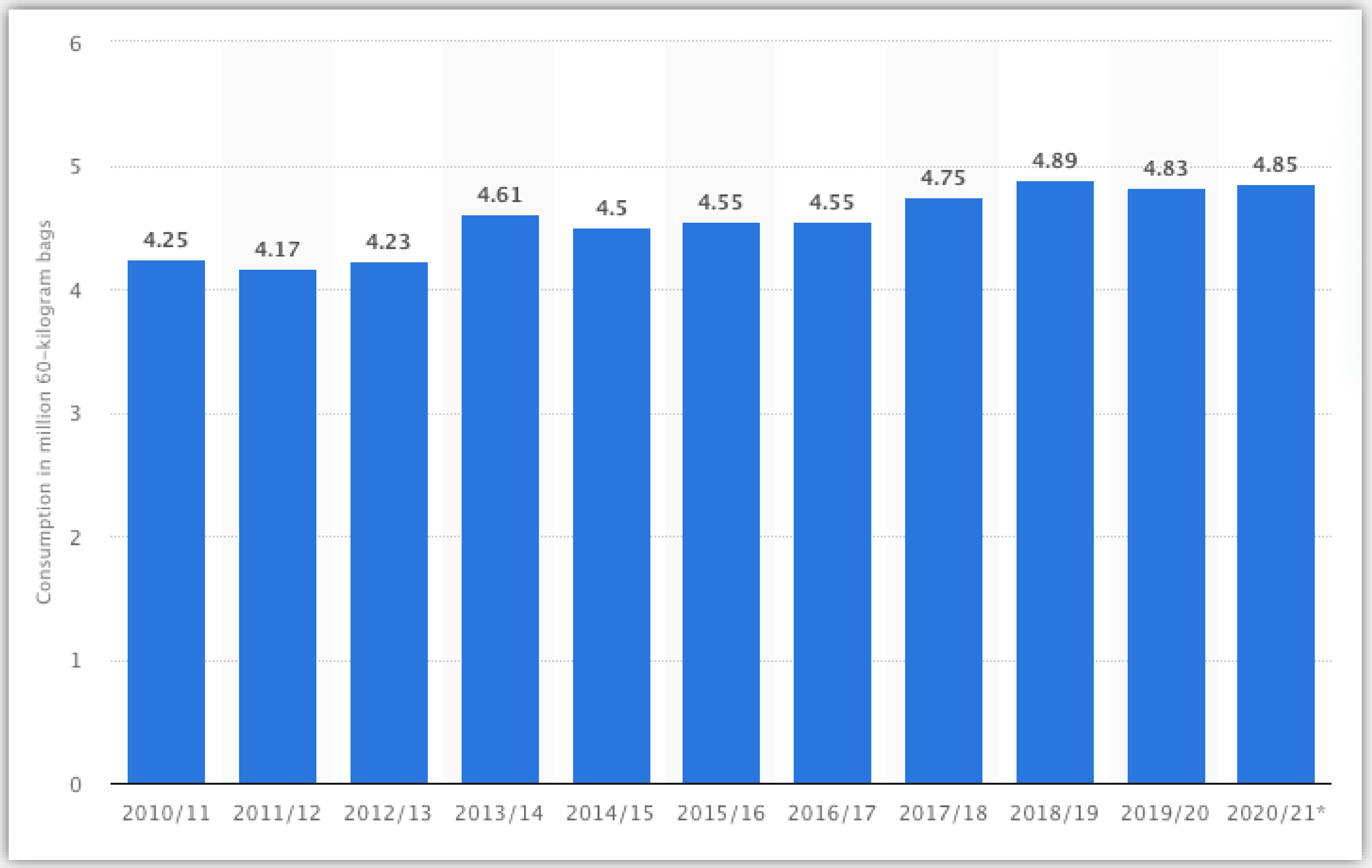
- Canadian adults are **coffee-loving people**.
- Canada is placed at number **10 among 20 countries** in the world that drink more coffee per capita, overcoming the US at number 26, and the UK that turns up at number 45.
- Canada has more than **7 kg** coffee per capita consumption.
- Canadians prefer, above all, **traditional coffee**, followed by **espresso-based** beverages.
- Canadians mainly consume **coffee at home**.

Source: Coffee Business Intelligence

COFFEE CONSUMPTION IN CANADA

- 291 million kilograms of coffee is expected to be consumed in Canada in the 12-month marketing year ending in October 2021. This figure has steadily increased over the past ten years, showing Canadian consumers’ love for the hot beverage.
- Most of the coffee expected to be consumed in this year will be imported into Canada, either in the form of beans or roast and ground variations.

Coffee consumption in Canada 2010-2021
(in million 60 kg bags)



Source: Statista

COFFEE CONSUMPTION FACTS IN CANADA 2019

MOST POPULAR BEVERAGE
Coffee is Canada's most consumed beverage amongst adults – even more than tap water.

AVERAGE DAILY INTAKE
The average # of cups of coffee Canadian adults drink daily, with more choosing large sized cups vs. 2018.

A HEALTHY DRINK OPTION
Unsweetened coffee is listed as one of only 4 "healthy drink options" other than water in the new *Canada Food Guide.*

READY TO DRINK GROWING
The % of Canadians purchasing ready-to-drink coffee in a bottle or can (which has more than doubled in the last 5 years).

YOUNGER "GOURMET" COFFEE DRINKERS
Canadian under 35 are more likely to drink "gourmet" coffee beverages: espresso-based (cappuccinos, macchiatos, americanos, etc.) and non-espresso-based beverages (nitro, cold brew, frozen blended).

CANADIANS DRINK MORE
The % of Canadians 16-79 who drank coffee yesterday (compared to 63% of Americans).

Source: Coffee Association of Canada

CANADIAN CONSUMER

Buyer’s profile

- Coffee is consumed by adults (ages 18-79) more than any other beverage, even tap water.
- The younger generation is driving coffee consumption trends in Canada.
- In 2018, 2/3 of adult Canadians enjoyed at least one cup of coffee every day.

Coffee and tap water are the most commonly consumed beverages
% Canadians aged 18-79

Sources : Coffee Association of Canada, Coffee Business Intelligence & Franchise direct Canada

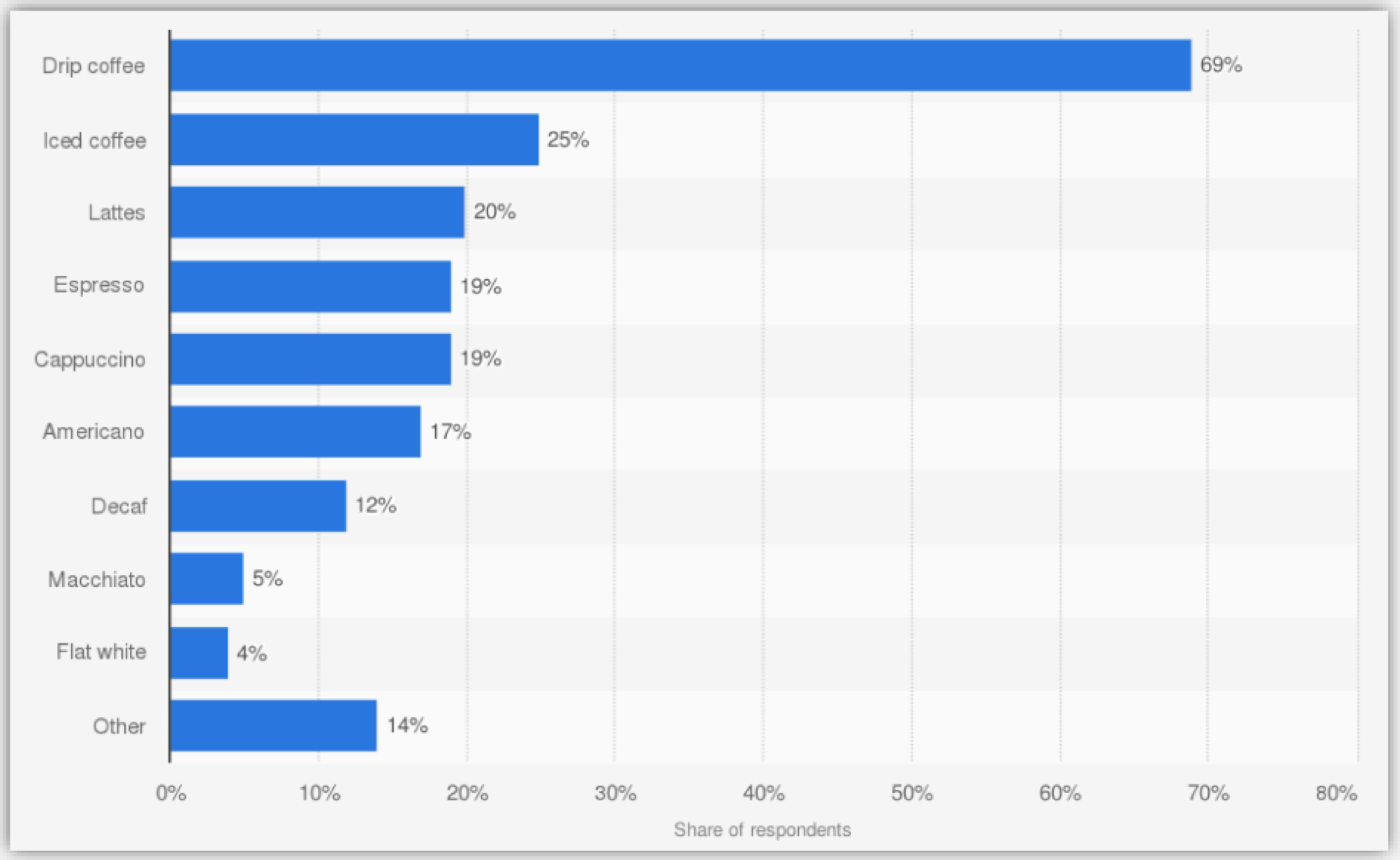
CANADIAN CONSUMER

Coffee preferences

Canadians prefer, above all, traditional coffee*, followed by espresso-based beverages.

- Adults aged 18-49 prefer specialty coffee while adults aged 65-79 tend toward traditional coffee.
- By age, consumers under 35 are more likely to consume gourmet coffee beverages and frozen blended coffee beverages are most popular among those 18-24.
- In most recent years, between coffees, specialty ones are becoming more popular (up 3% from 2011 to 2015).
- Females drive the growth, consuming of all hot specialty servings (65%) and all iced specialty servings (67%).

Canadian coffee preferences by type in 2019



* Traditional coffee in Canada means hot brewed coffee or drip coffee

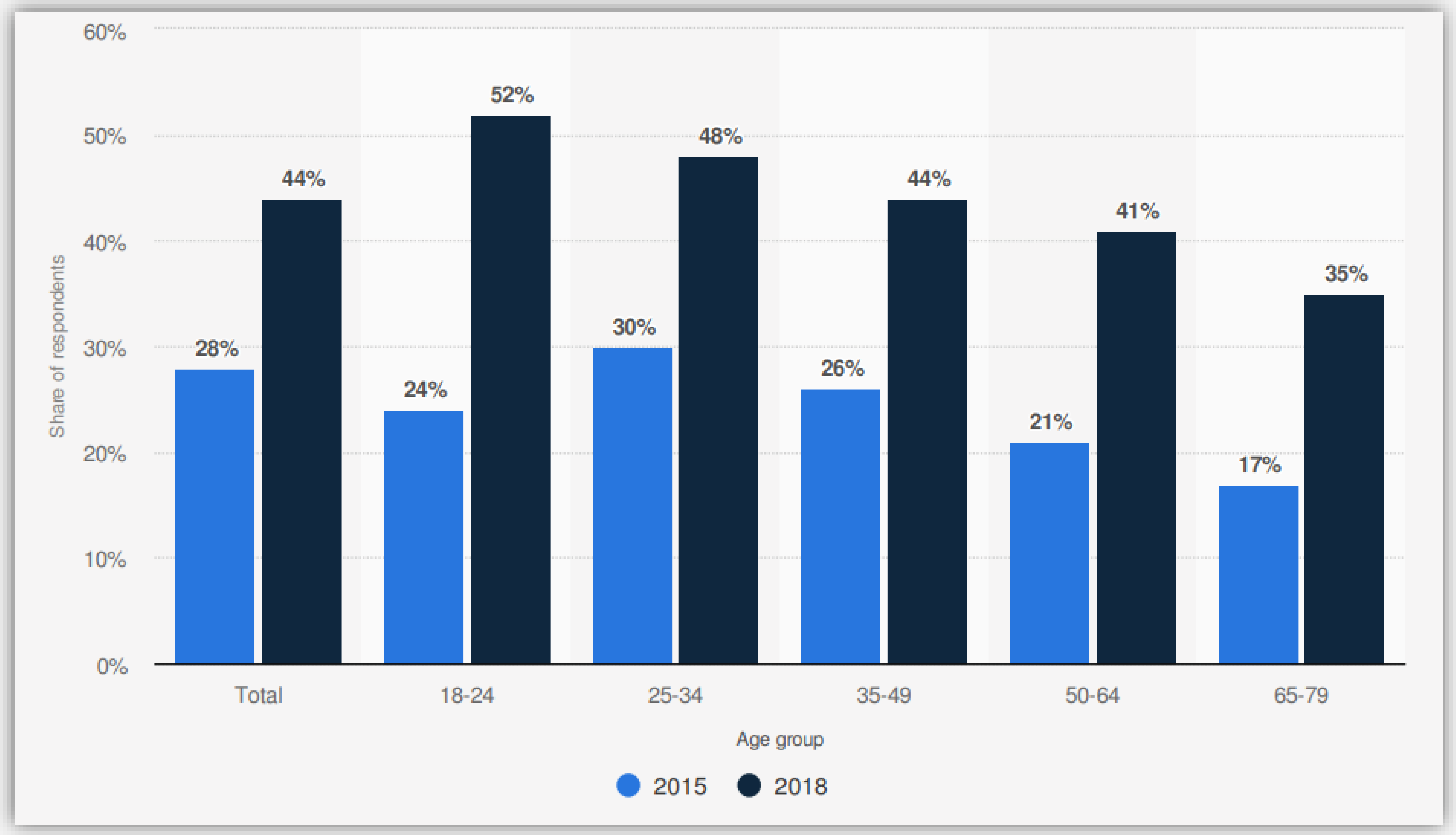
Sources : Statista, Coffee Association of Canada, Franchise direct Canada & Coffee Business Intelligence

CANADIAN CONSUMER

Coffee preferences

- Espresso-based beverages are popular, in fact, one in three coffee drinkers prefer this type of beverage.
- In the last 5 years (2014 – 2018), the penetration espresso-based beverage among adults 18-79 has had a steady increase, from 14% in 2014 to 24% in 2018.
- Non-espresso-based beverages, on the other hand, represent only a niche market in Canada.

Past week espresso-based coffee consumers in 2015 and 2018, by age group



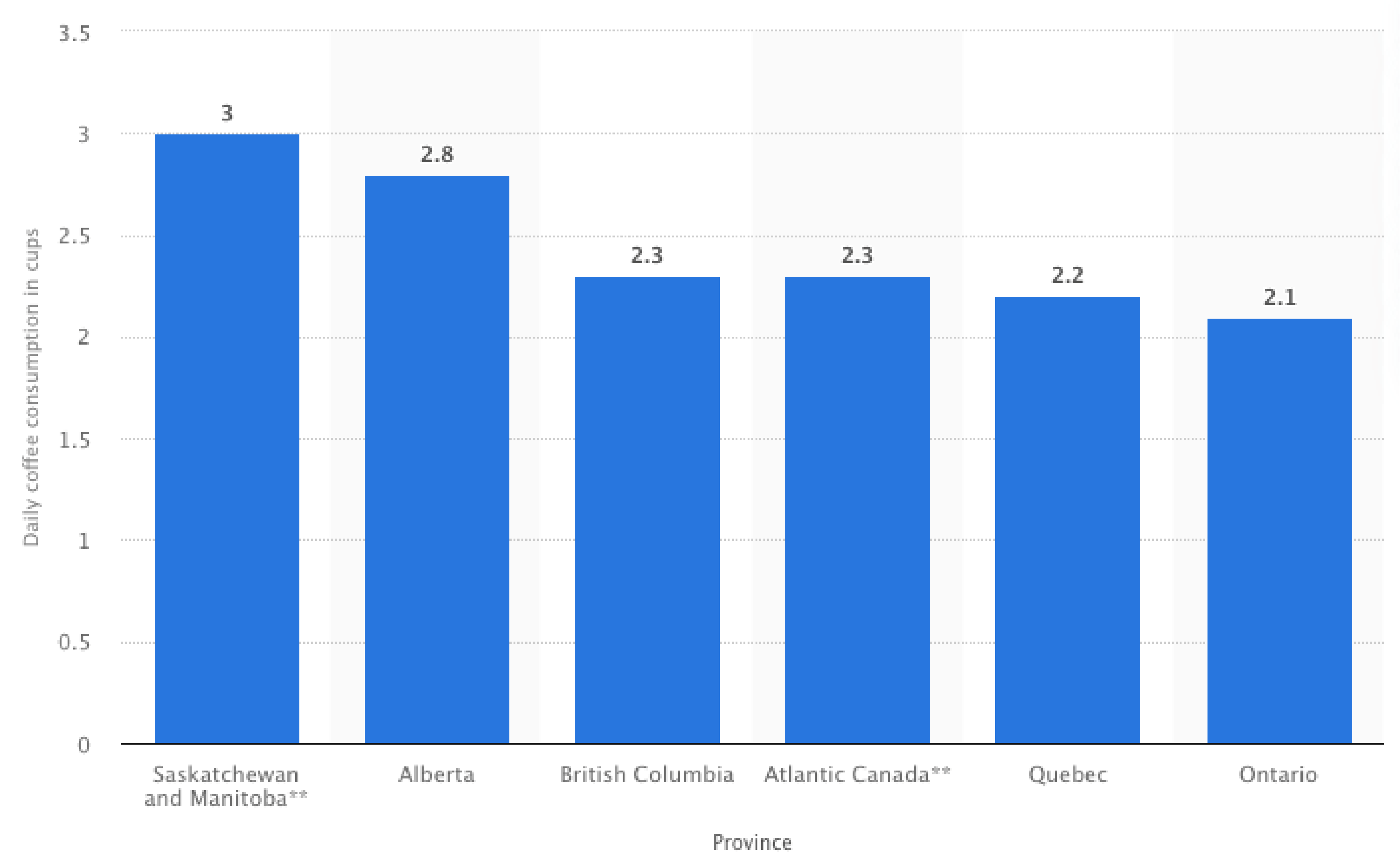
Sources: Coffee Business Intelligence & Statista

CANADIAN CONSUMER

Coffee consumption habits

- As of September 2019, the Canadians living in the provinces of Saskatchewan and Manitoba consumed an average of 3 cups of coffee per day.
- Conversely, those in Ontario consumed an average of 2.1 cups of coffee per day.
- In average, Canadians consume more than 2 cups every day.

Daily coffee consumption of Canadian consumers by region in 2019



Source: Statista

CANADIAN CONSUMER

Key purchasing criteria

Brands

- Canadian consumers are searching for **value** in their coffee and not just monetary.
- **Brands** are highly important to consumers.

Ethical

- Those aged 18-34 are more interested than older generations in coffee that is **ethically sourced**, leading to a rise in **fair trade** and **organic coffee** in **local** coffee shops.

Gen Z and Sustainability

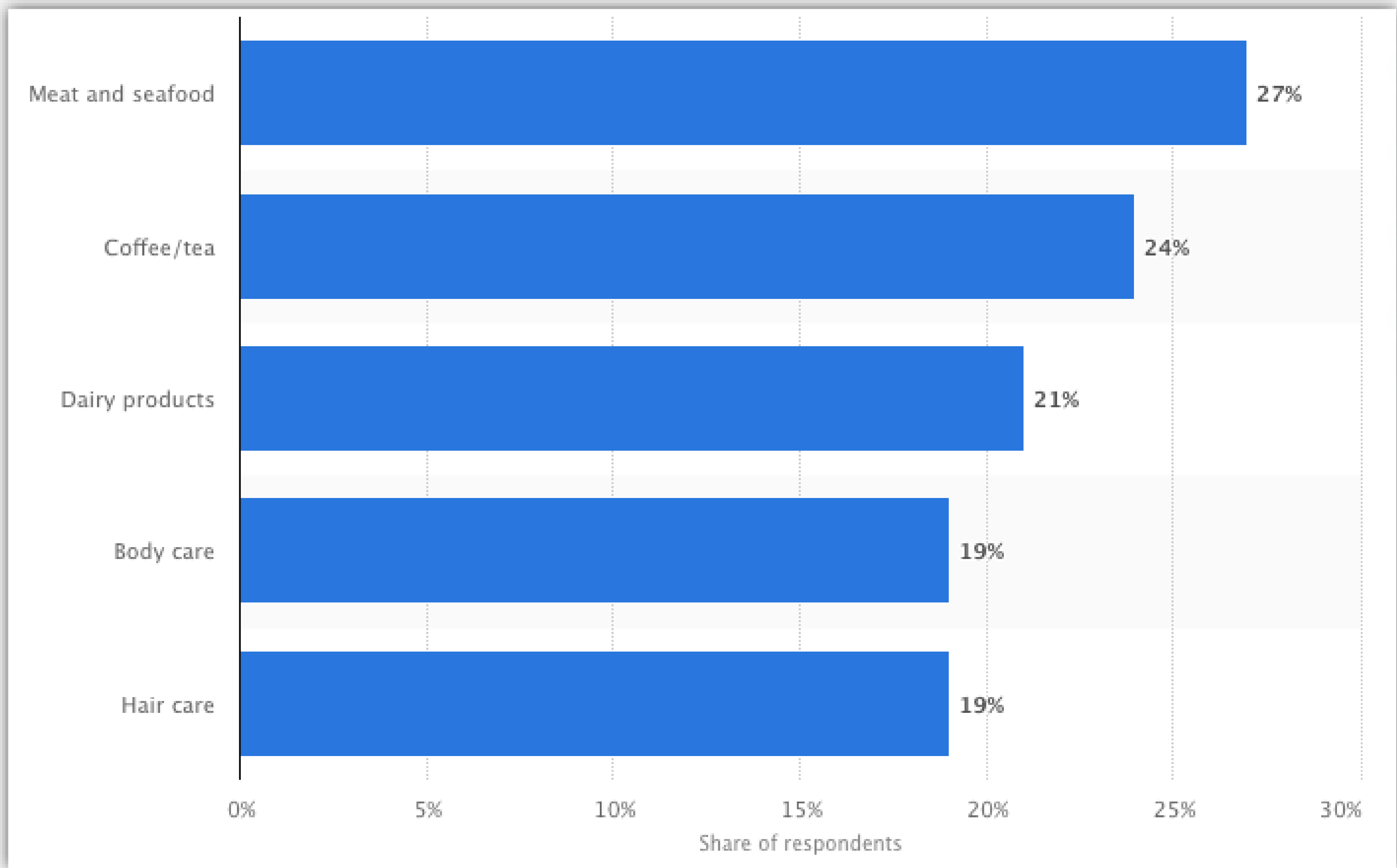
- Millennials and Gen Zs are increasingly making consumer decision based on sustainability, which for coffee can mean where coffee is sourced, how it is transported, how it is produced and sold, and the effects these things have on social issues and the environment.

Sources : Franchise direct Canada, Marketline & Coffee Business Intelligence

CANADIAN CONSUMER

- 24% of Canadian consumers are willing to pay more for a premium coffee and/or tea.
- The only type of product that more Canadians are willing to pay a higher price is meat and seafood.

Top 5 consumer packaged goods Canadians are willing to pay more for a premium product by type in 2017

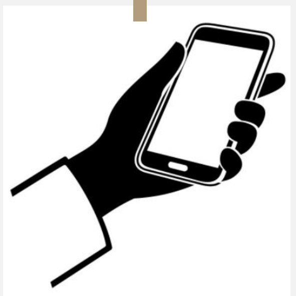
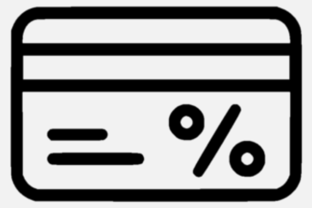


Source: Statista

CANADIAN CONSUMER

Preferred locations to purchase coffee out-of-home

According to CoffeeBI :

	7 %	In 2019, among regular coffee drinkers, 7 % ordered it via some apps.
	5 %	Among regular coffee drinkers, 5 % of them were using specialized delivery services in 2019.
	20 %	Of regular coffee drinkers, 20 % are using loyalty card when ordering coffee.

- For their coffee consumed out of home, most Canadians prefer to drink it at the eating place where they purchased it or at work.
- As the popularity of delivery apps and services grow in Canada, consumers are beginning to use these methods.
- Delivery apps, such as Uber Eats and SkipTheDishes, contribute to the growth of coffee companies and help to make drinks like coffee and tea more accessible to people.
- Customers enjoy the convenience of ordering from the office or from the comfort of their home.

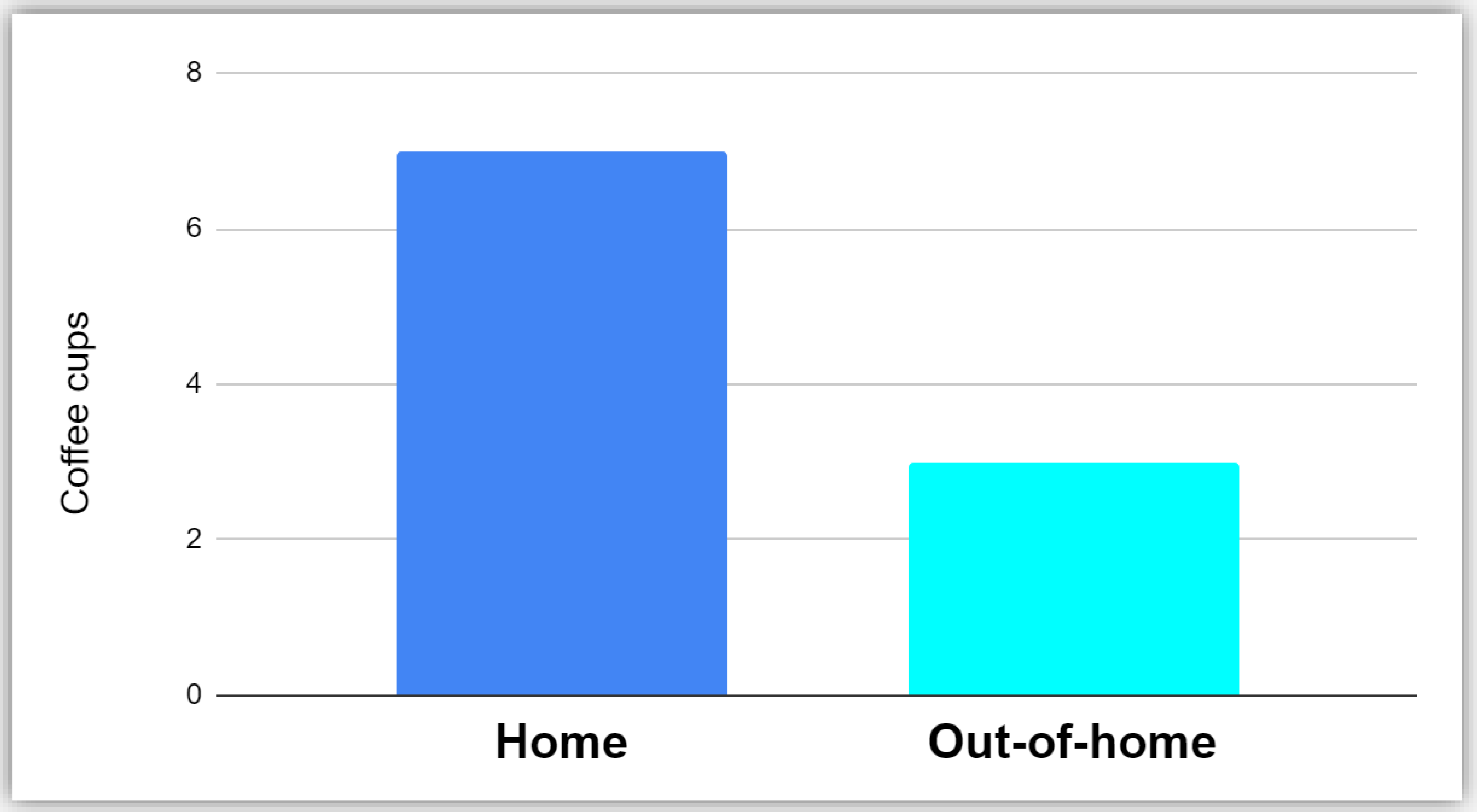
Source: Coffee Association of Canada, Coffee Business Intelligence & Statista

CANADIAN CONSUMER

Coffee consumption habits

- Coffee is mainly consumed at home, and breakfast is the part of the day in which Canadians enjoy a cup of coffee.
- **In 2019, 7 out of 10 cups of coffee were consumed at home.**
- Two out of three Canadians visit coffee shops at least once a month and coffee is the first beverage consumed out-of-home ahead of soft drinks and tea.

Coffee consumption habits of Canadian consumers by place in 2019



Sources : Coffee Association of Canada & Coffee Business Intelligence

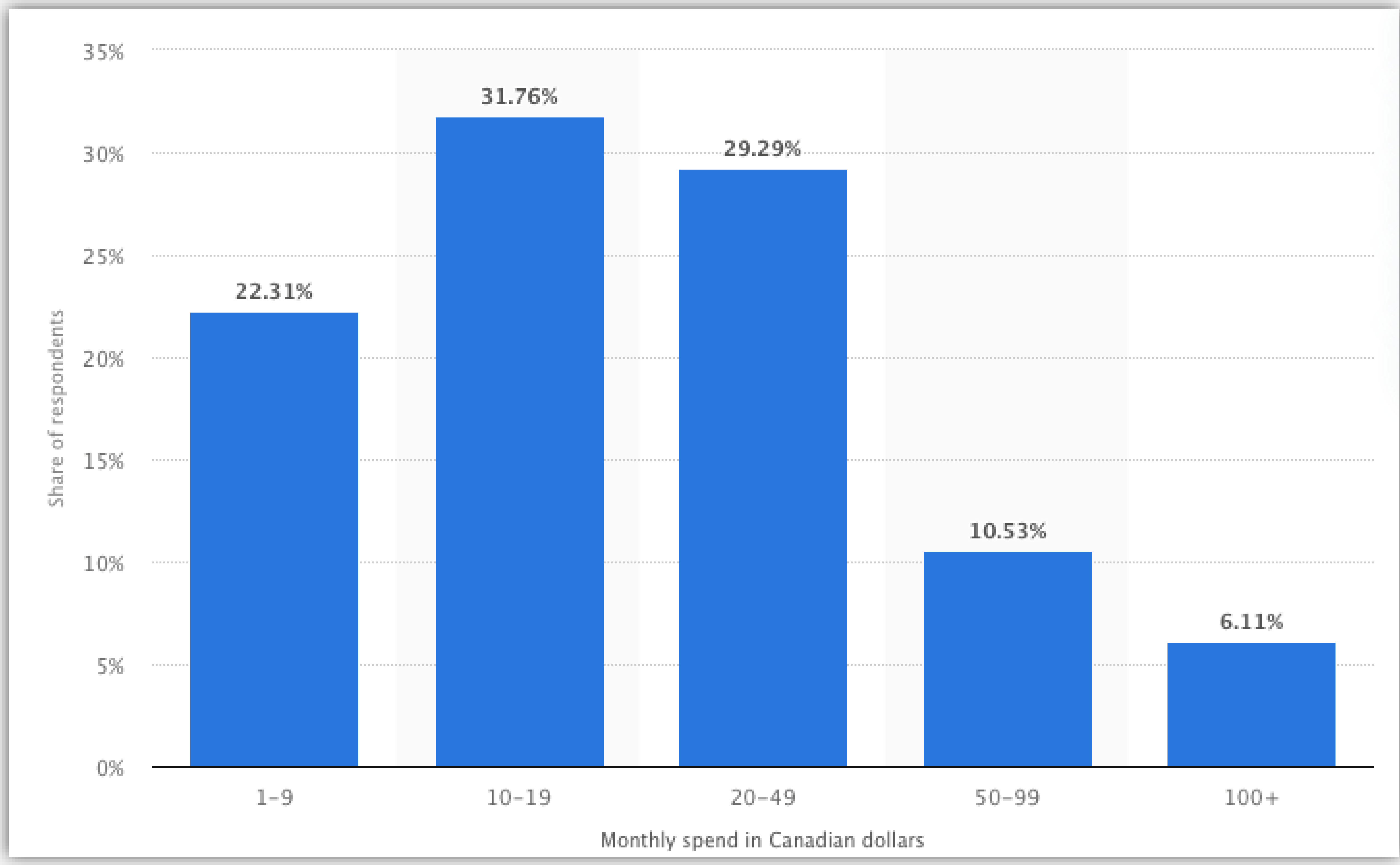
CANADIAN CONSUMER

At-Home : Budget

- Over 60% of Canadians consumers spend between $10 and $49 Canadian dollars per month on coffee for use at home.

- Whilst a little over 15% spend over $50 Canadian dollars per month on coffee for use at home.

Monthly Canadian consumers spending on coffee for home use in 2018



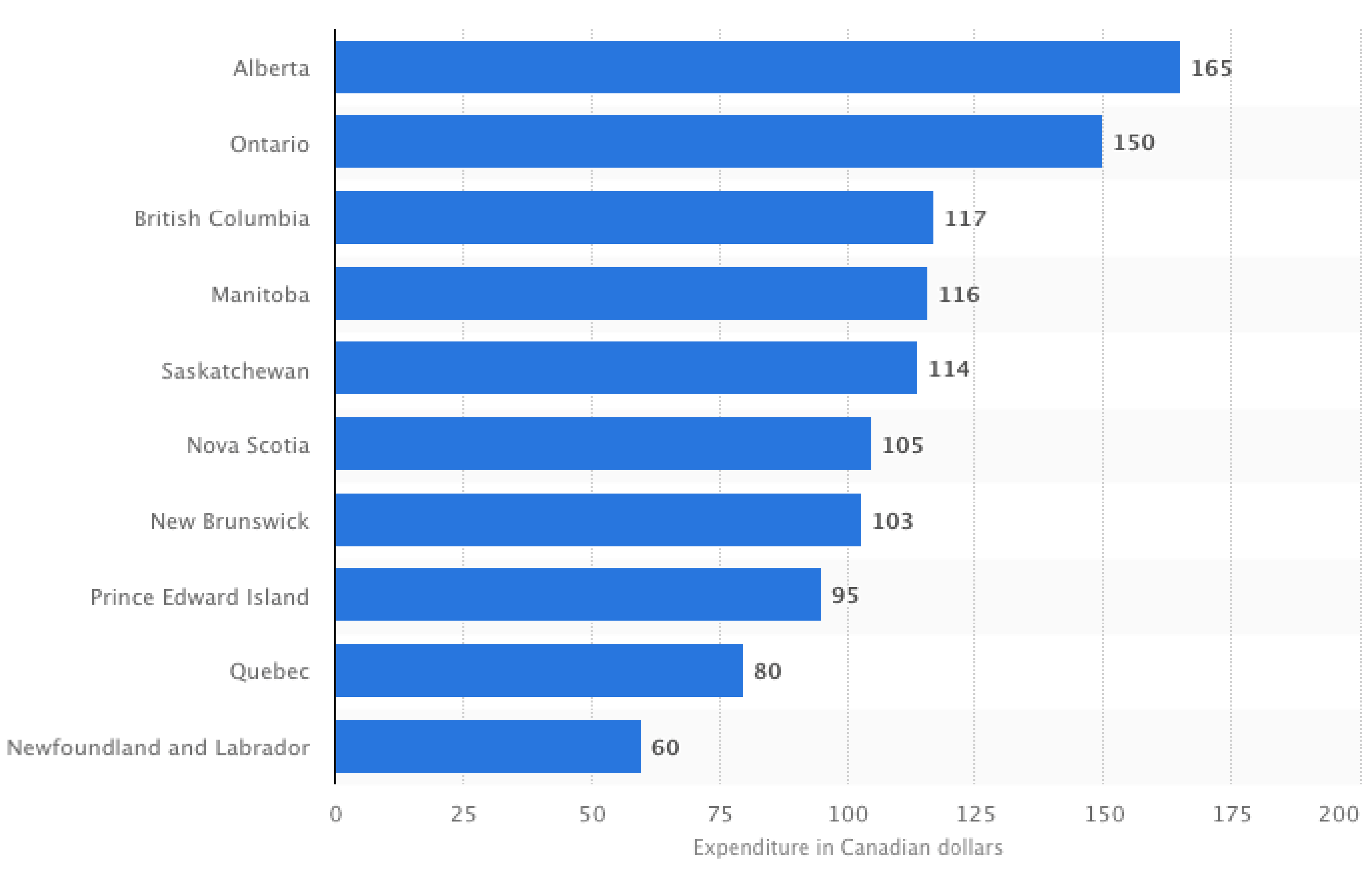
Source: Statista

CANADIAN CONSUMER

At-Home : Budget

- The average annual expenditure on roasted and ground coffee per household in Alberta amounted to $165 Canadian dollars in 2017.
- For Ontario, the average annual expenditure amounted to $150 Canadian dollars.
- By comparison to other provinces, Quebec has a lower annual expenditure on roasted and ground coffee per household with an average of $80 Canadian dollars annual spending.

Household expenditure on roast and ground coffee by province in 2017



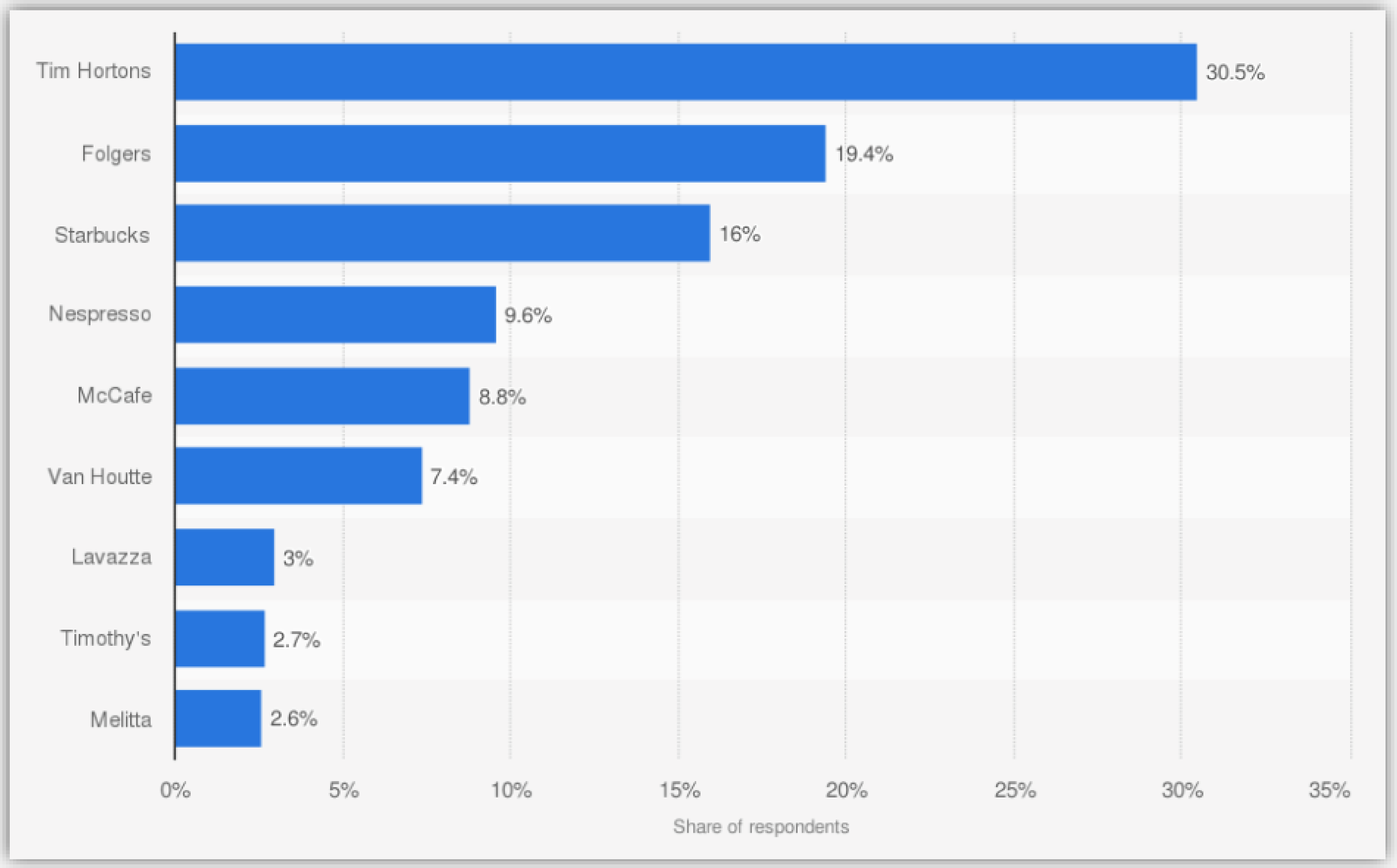
Source: Statista

CANADIAN CONSUMER

At-Home : Preferred coffee brands

- The preferred coffee brand used at home by Canadians is Tim Hortons (30.5%).
- Other popular coffee brands used at home are :
  - Folgers (19.4%)
  - Starbucks (16%)
  - Nespresso (9.6%)
- The least popular coffee brands used at home by Canadians are Melitta, Timothy´s and Lavazza.

Preferred coffee brands used at home in Canada in 2018

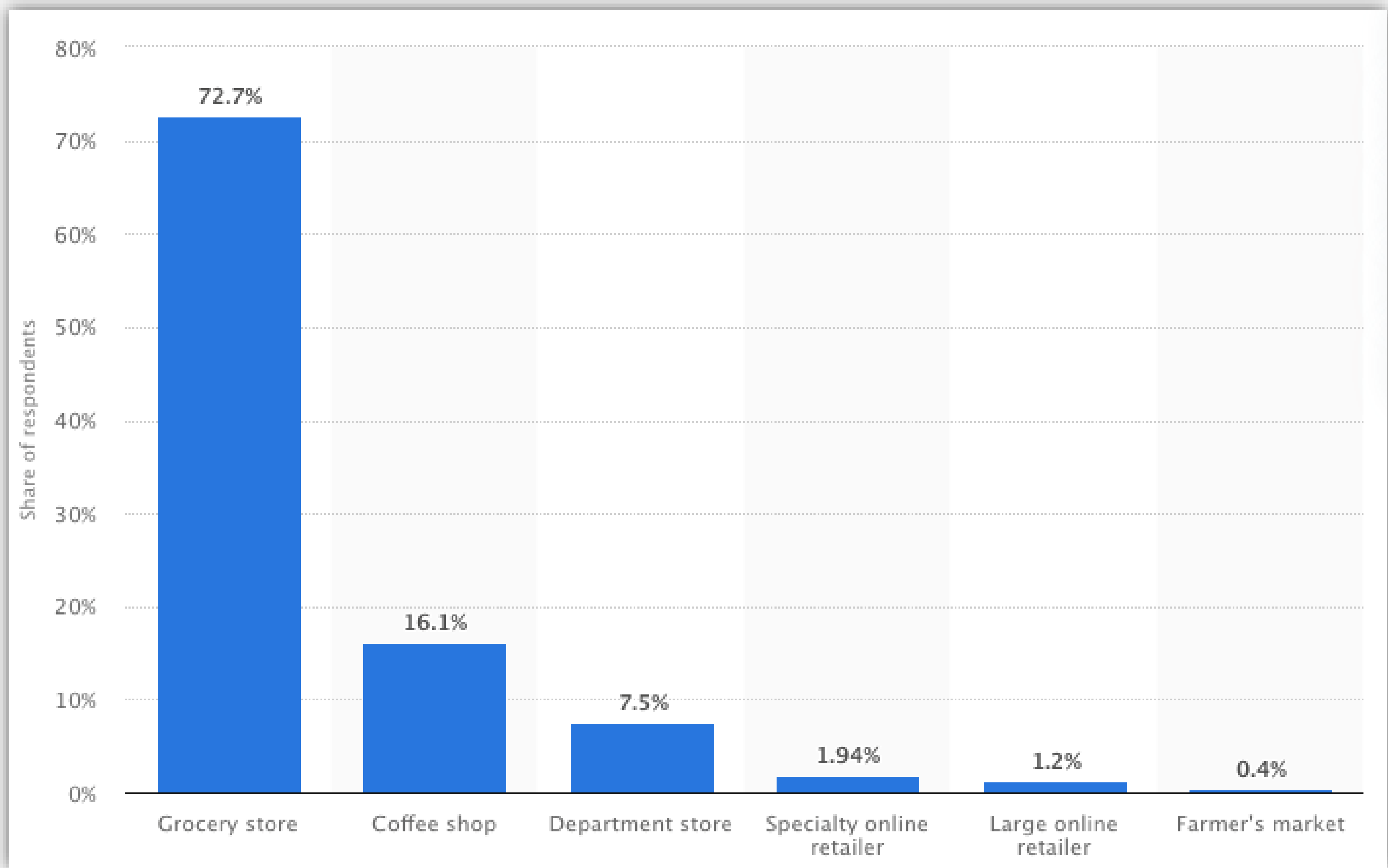


Source: Statista

CANADIAN CONSUMER

At-Home : Preferred locations to purchase coffee for home use

Preferred locations to purchase coffee for home use in 2016



- 3 Canadians out of 4 prefer to buy their coffee for home use in **grocery stores**.
- Far behind, coffee shops represent the second most popular location to buy coffee for home use among Canadians.

Source: Statista

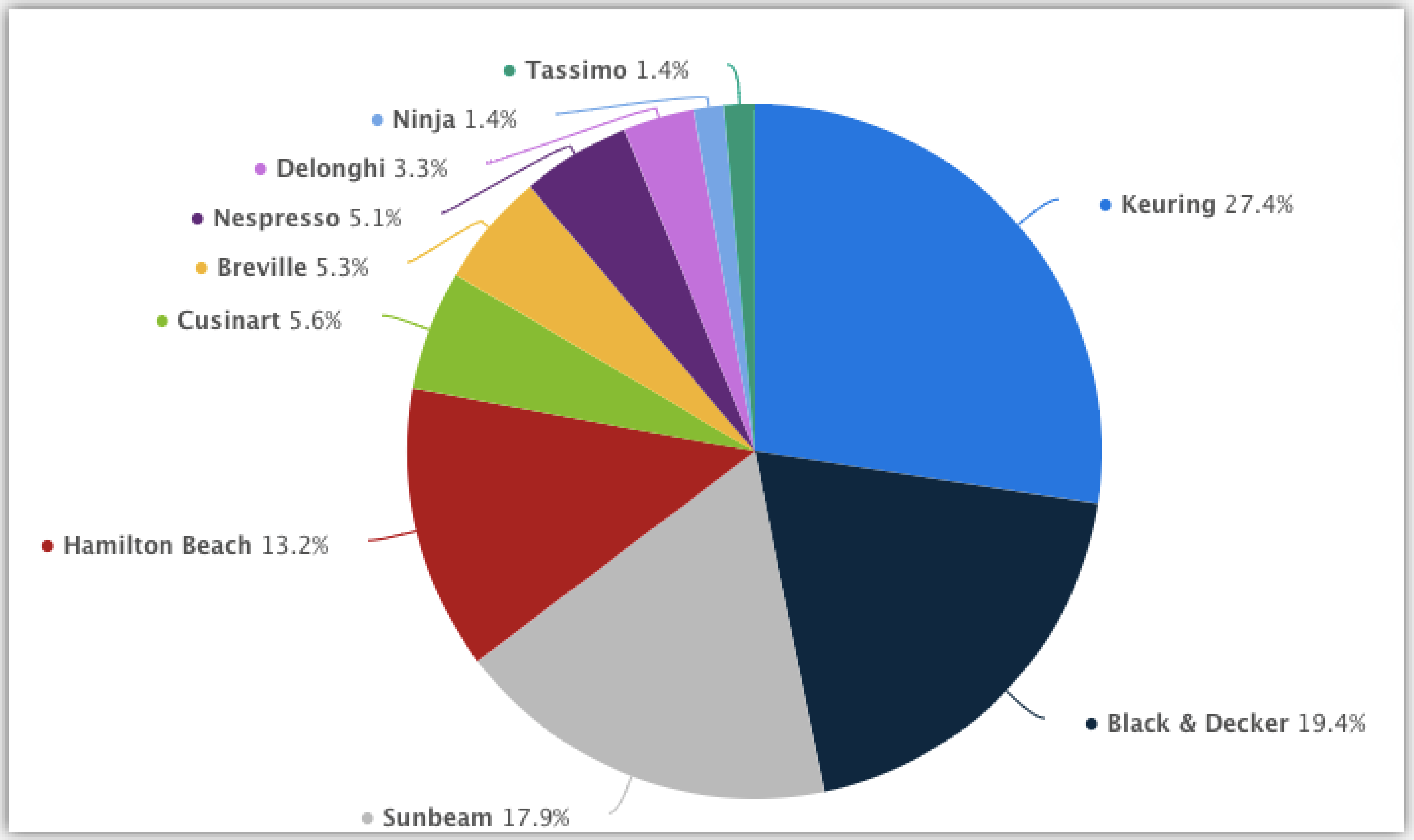
CANADIAN CONSUMER

Most popular coffee maker brands

Market share of coffee maker brand by unit sales in Canada 2019

- The most popular coffee maker brands in Canada are Keurig holding the biggest market share, followed by Black & Decker, Sunbeam and Hamilton Beach.

- Tassimo and Ninga are the least popular coffee maker brand amongst Canadians.

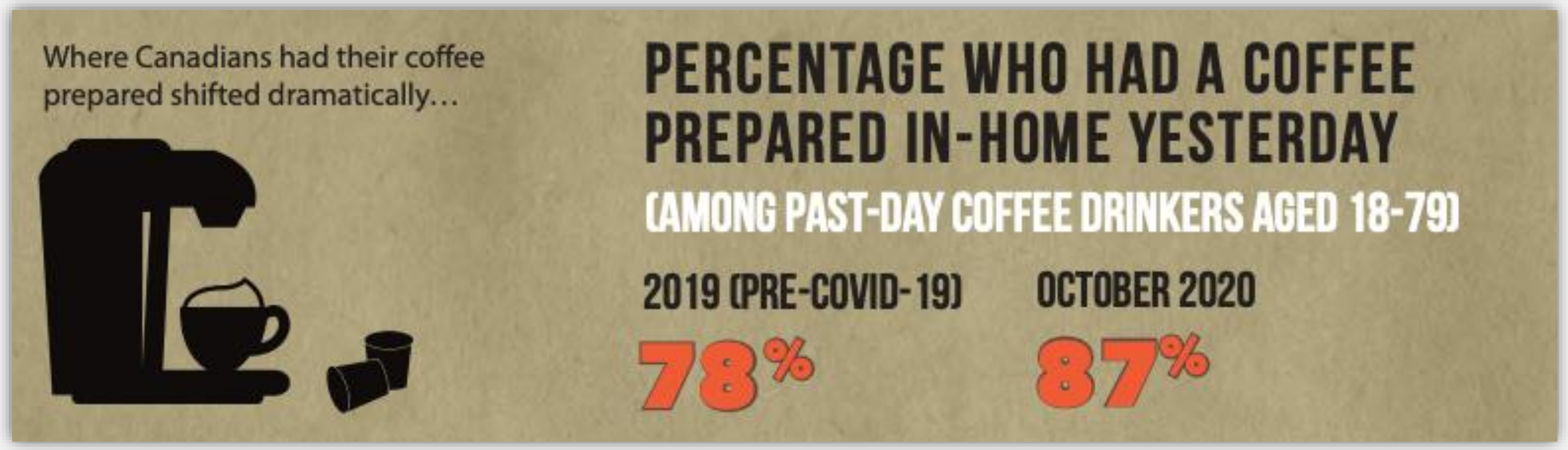


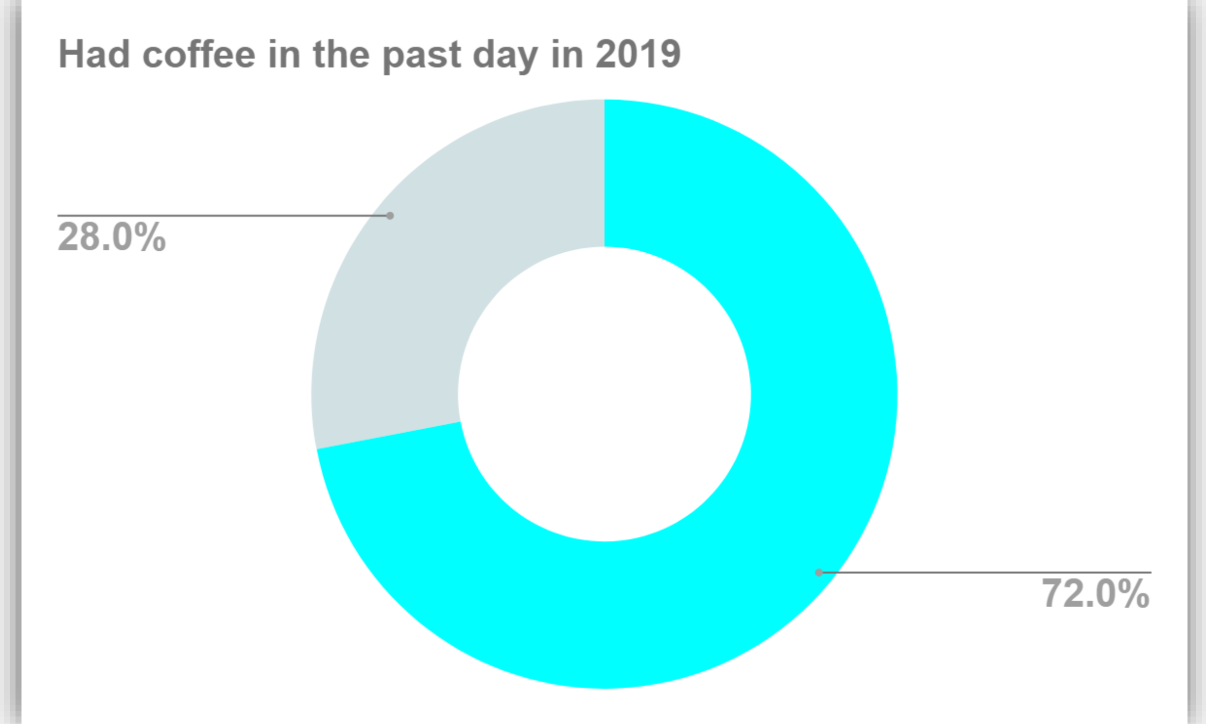
Source: Statista

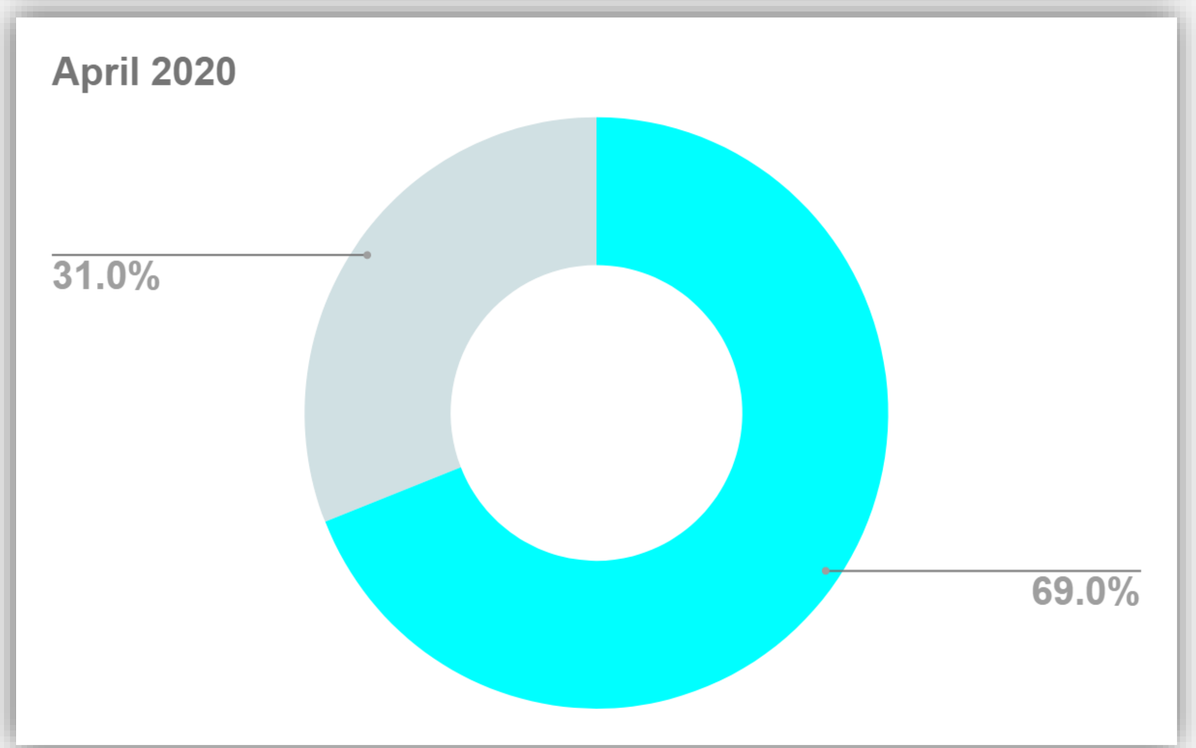
CANADIAN CONSUMER

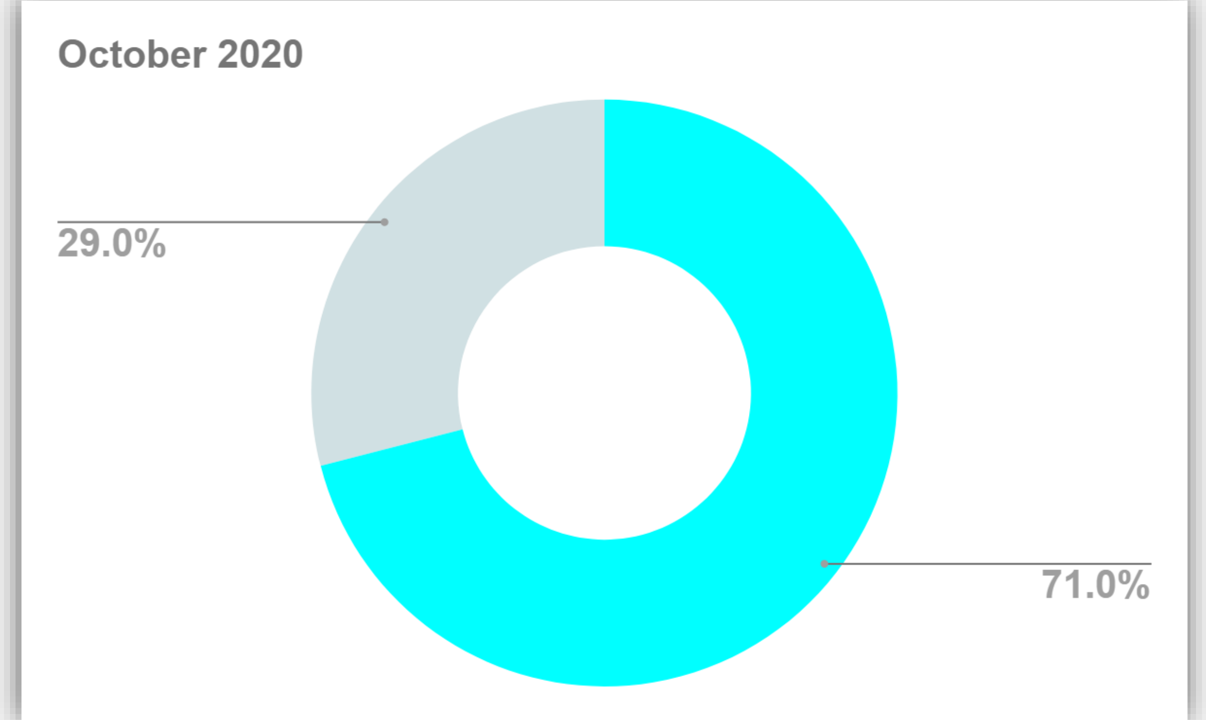
At Home : Covid-19 & the Canadian coffee consumption

- Following the declaration of COVID-19 as a global pandemic and provinces issuing stay-at-home orders, Canadians hunkered down.
- Despite the many changes to our daily lives, coffee consumption was steady and even increased.









Source: Coffee Association of Canada

CANADIAN CONSUMER

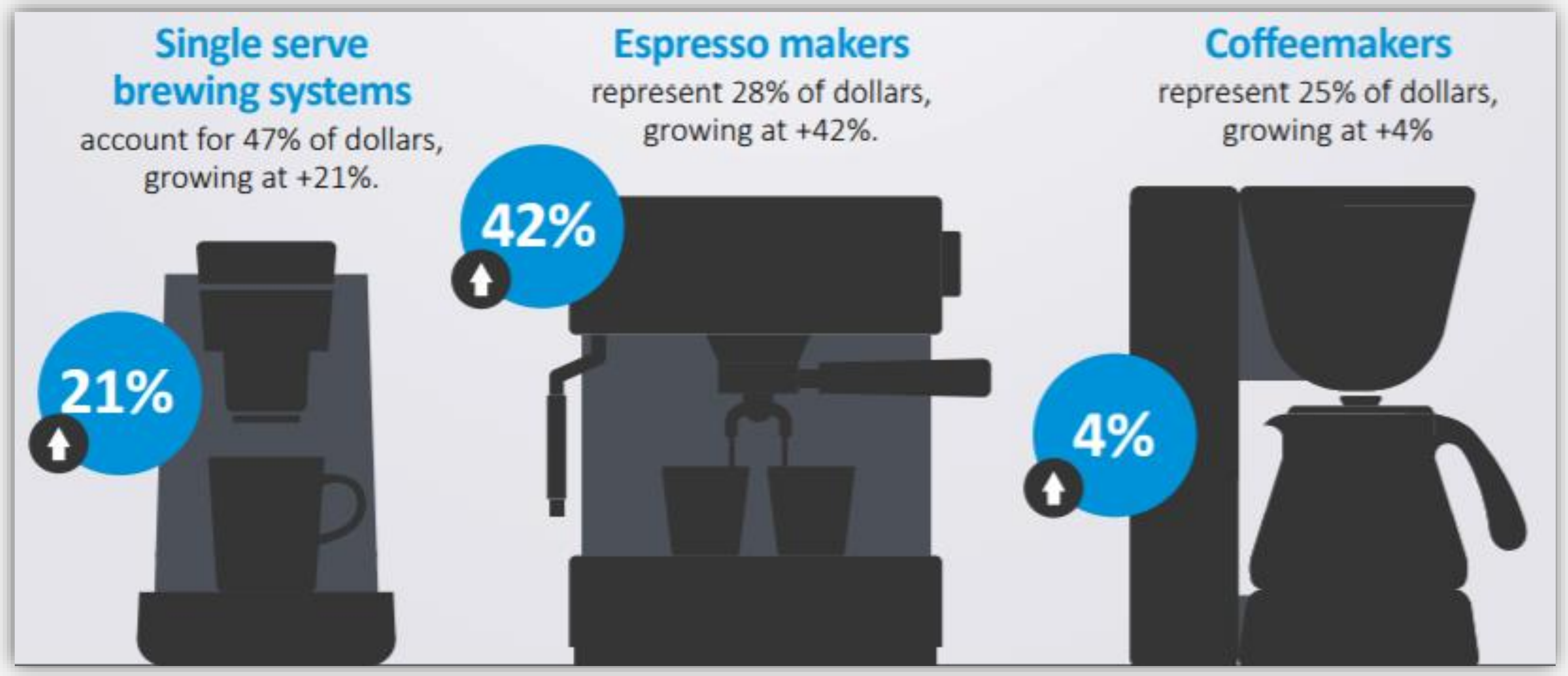
At-Home : Covid-19 Impacts

Mostly working from home in 2020, Canadians have adapted their reality and increase their coffee home consumption.

Coffee and espresso makers were one of the fastest growing appliances categories in the past year, with a 35 % increase.

- In 2019, 47 % of each dollar spent by Canadians were on single serve brewing systems, corresponding to a 21 % increase compared to the previous year.
- The popularity of Espresso makers is significantly growing among Canadian coffee consumers for at-home consumption with an increase of 42 %.

Type of coffee machines selected by consumers for at-home consumption in Canada 2019

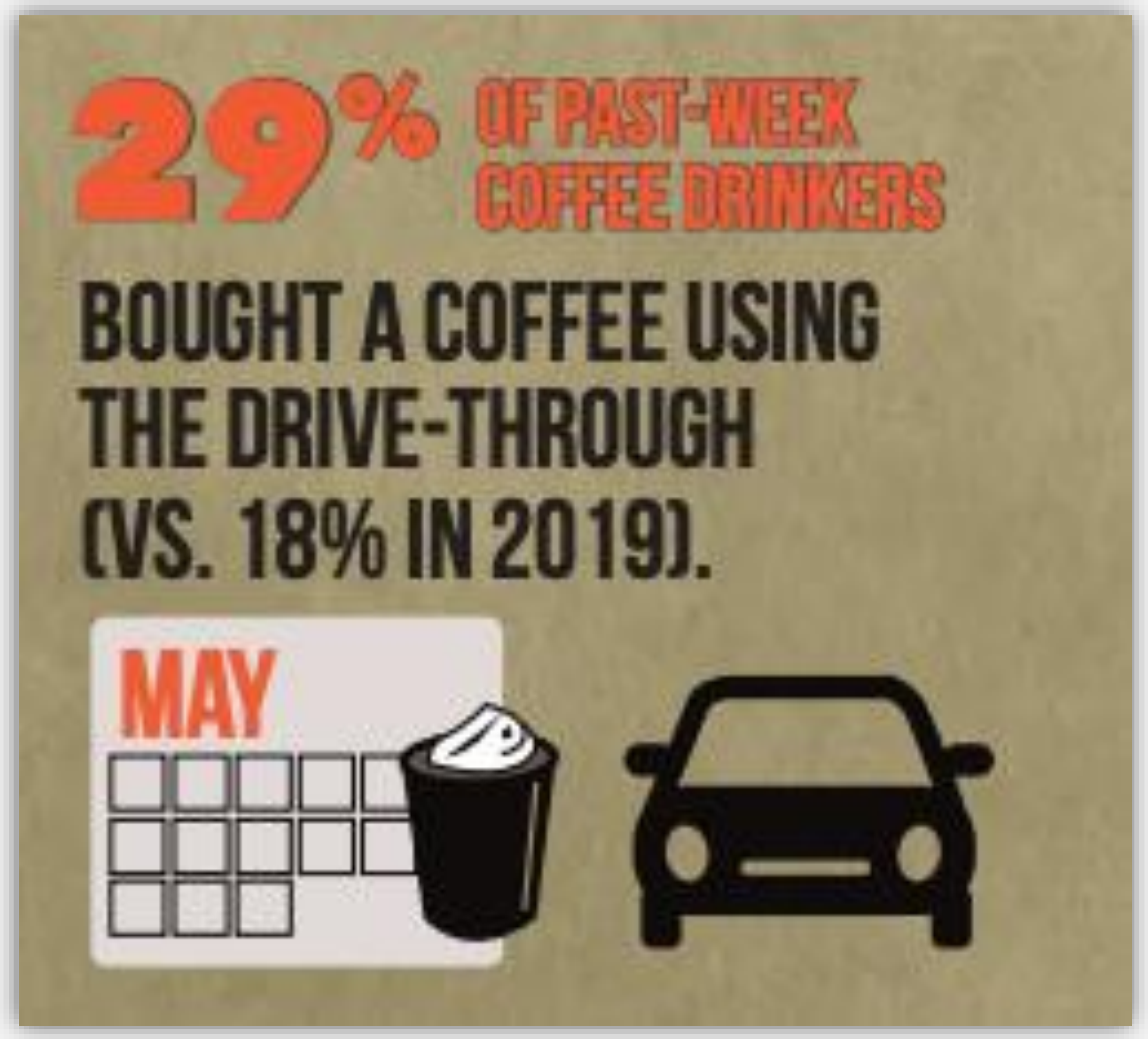


Sources: The NDP Group, Field Agent Canada

CANADIAN CONSUMER

Out-of-Home : Covid-19 & the Canadian coffee consumption

As lockdown restrictions shifted and the seasons changed :



Source: Coffee Association of Canada

CANADIAN CONSUMER

Out-of-Home : consumption in cities

As lockdown restrictions shifted and the seasons changed :

91 %

Of Canadians were regularly consuming coffee that was purchased outside of their home prior to social distancing measures.

46 %

This statistic dropped to 46 % in April 2020, some cities being in lockdown.

Out-of-home coffee consumption is highly concentrated in important cities such as Toronto, Montreal and Vancouver but are beginning to be flourishing in smaller cities as well.

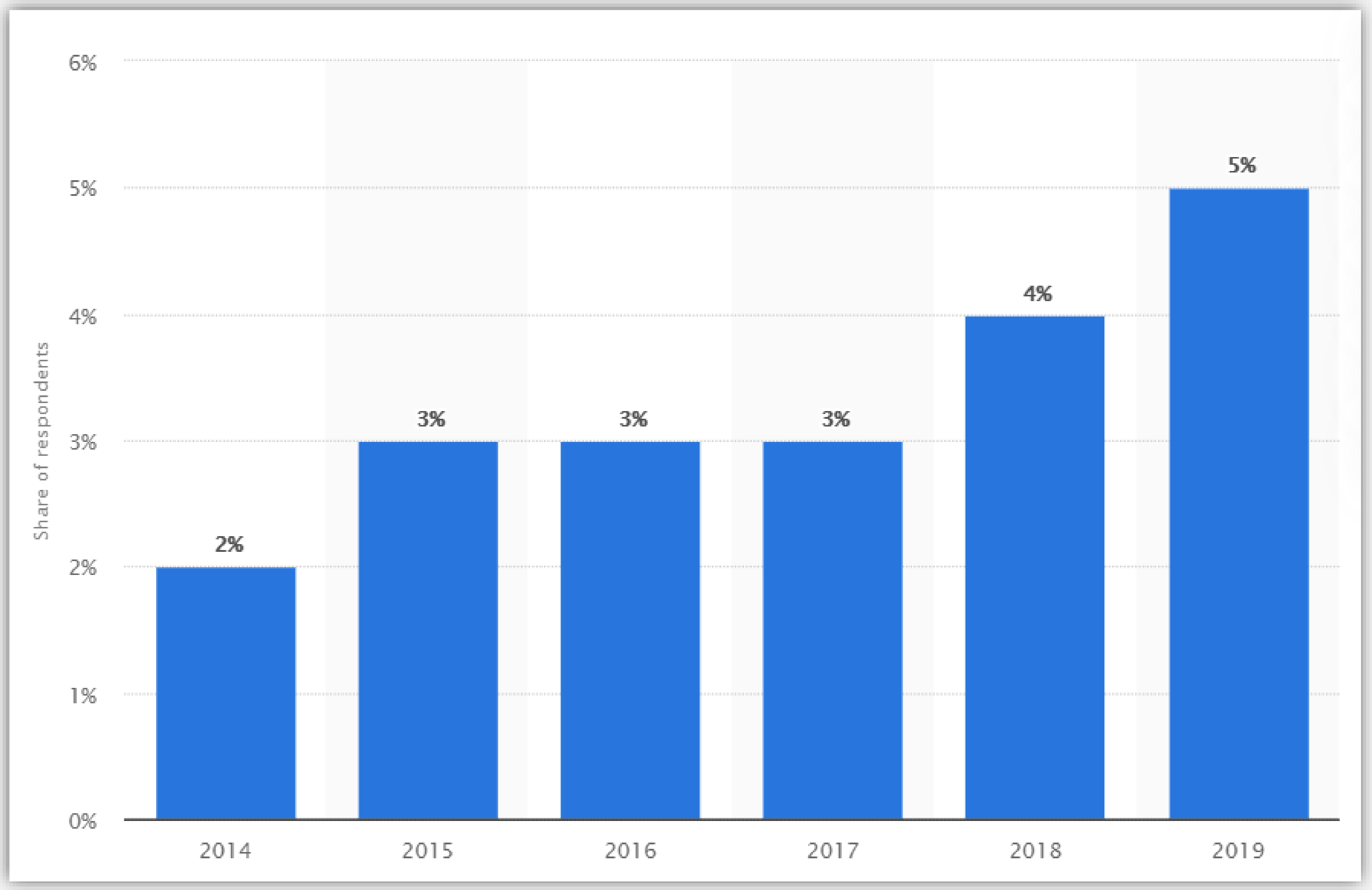
Source: Field Agent Canada

CANADIAN CONSUMER

Coffee consumption habits

- Ready-to-drink (RTD) coffee has traditionally been only a small part of on-trade sales in Canada, with most cafés and restaurants having limited activity in this category.
- However, there has been a gradual increase in the purchase of RTD coffee in Canada since 2014 and the consumption has more than doubled in the last 5 years, passing from 2% in 2014 to 5% in 2019.
- Gen Zs is leading the way with 46 % of this segment drinking RTD coffee.
- RTD coffee drives category innovation. Product innovation like nitro cold brew or flavour innovations in bottled coffees and frappes represent the pulse of coffee innovation, and these innovations all take place in RTD coffee. Consumers that are searching for a unique product experience with coffee are more likely to try RTD coffee.

Percent using ready to drink coffee among past-day coffee drinkers between 2014 and 2019



Sources : Coffee Association of Canada, Passport, Canadian Grocer

Analysis

Canadians love coffee

- **Canadians are good coffee drinkers.**

Coffee is consumed by adults more than any other beverage. While Canadians still prefer traditional coffee, in recent years, specialty coffees have increased in popularity. On the other hand, gourmet and frozen blend coffee beverages are more popular amongst the younger generations.

Local brands and Grocery stores

- **Canadians tend to prefer American and Canadian coffee brands bought from grocery stores when use at home.**

In Canada, coffee for home use is mostly bought at the grocery store. The most popular coffee brand used at home is the national brand Tim Hortons, followed by Folgers, Starbucks and Nespresso. On the other hand, Lavazza, Melitta and Timothy´s are the least popular coffee brands used at home.

At-Home

- **Consumers in Canada are caffeinating at home.**

In Canada, coffee is mostly enjoyed during breakfast. 7 out of 10 coffee cups were consumed at home in 2019. In 2017, Alberta had the highest annual household expenditure on roast and ground coffee, followed by Ontario and British Columbia, showing opportunities on both sides of the country. Of course, Covid-19 has also increased the proportion of at-home coffee consumption amongst Canadians, from 78% in 2019 (pre Covid-19) to 87% in October 2020.

INDUSTRY ANALYSIS

Coffee and Hot drinks market in Canada

COVID-19 IMPACT

The coffee industry suffers a significant decline in on-trade volume sales in 2020 due to COVID-19, driven by the temporary closure of food service outlets, although dynamic off-trade volume growth is able to completely offset this decline, leading to a rise in total volume sales.

- Whilst on-trade sales have plummeted, off-trade sales have more than made up for the decline, demonstrating a major shift from **food service to at-home consumption**.
- According to recently released statistics from Statistics Canada, sales of both alcoholic drinks and coffee have been higher during the COVID-19 pandemic in Canada.
- The on-trade decline is due to most Canadian bars and restaurants were temporarily close in March in order to prevent the spread of COVID-19. In addition, social distancing was implemented to prevent the spread of the virus, which hampered the return to growth. **Whilst most Canadians were regularly consuming coffee purchased outside the home prior to the enforcement of social distancing rules, it is thought that this figure fell to around half of Canadians amidst social distancing requirements.** Therefore, Canadians turned to making coffee at home, as access to coffee shops was limited. This made a major contribution to the strong off-trade growth seen in 2020, as did significant stockpiling in the first half of the year, as consumers feared shortages. With more time spent at home for work, schooling and entertainment due to COVID-19, consumers also tended to drink more cups of coffee, with its convenience and low unit price contributing to this behaviour.
- 2021 is forecast to be a year of adjustment for coffee, after the exceptional changes seen in 2020 due to COVID-19. Foodservice outlets are expected to see less disruption to their operations in 2021, and as the virus comes under better control, with vaccines set to be rolled out in this year, restrictions are likely to ease.

Sources : Euromonitor International, Statistiques Canada

THE CANADIAN COFFEE INDUSTRY

Global industry at a glance

REVENUE :

6.2 billion CAD : TOTAL sales

4.8 billion CAD : Foodservice sales

1.4 billion CAD : Grocery / Retail sales

EMPLOYMENT : over 170,000

160,000+ in cafes and coffee shops.
5,000+ independent café and coffee shop owners and several thousand franchise owner operators.
5,000+ jobs in Manufacturing and Roasting.
Jobs in support sectors such as packaging, cup suppliers, food manufacturing, etc.

- Canada has enjoyed the fastest coffee importing growth among leading traditional world markets with over 30 developing countries exporting coffee to Canada.

- While the majority of coffee is consumed at home, the revenues related more to food services

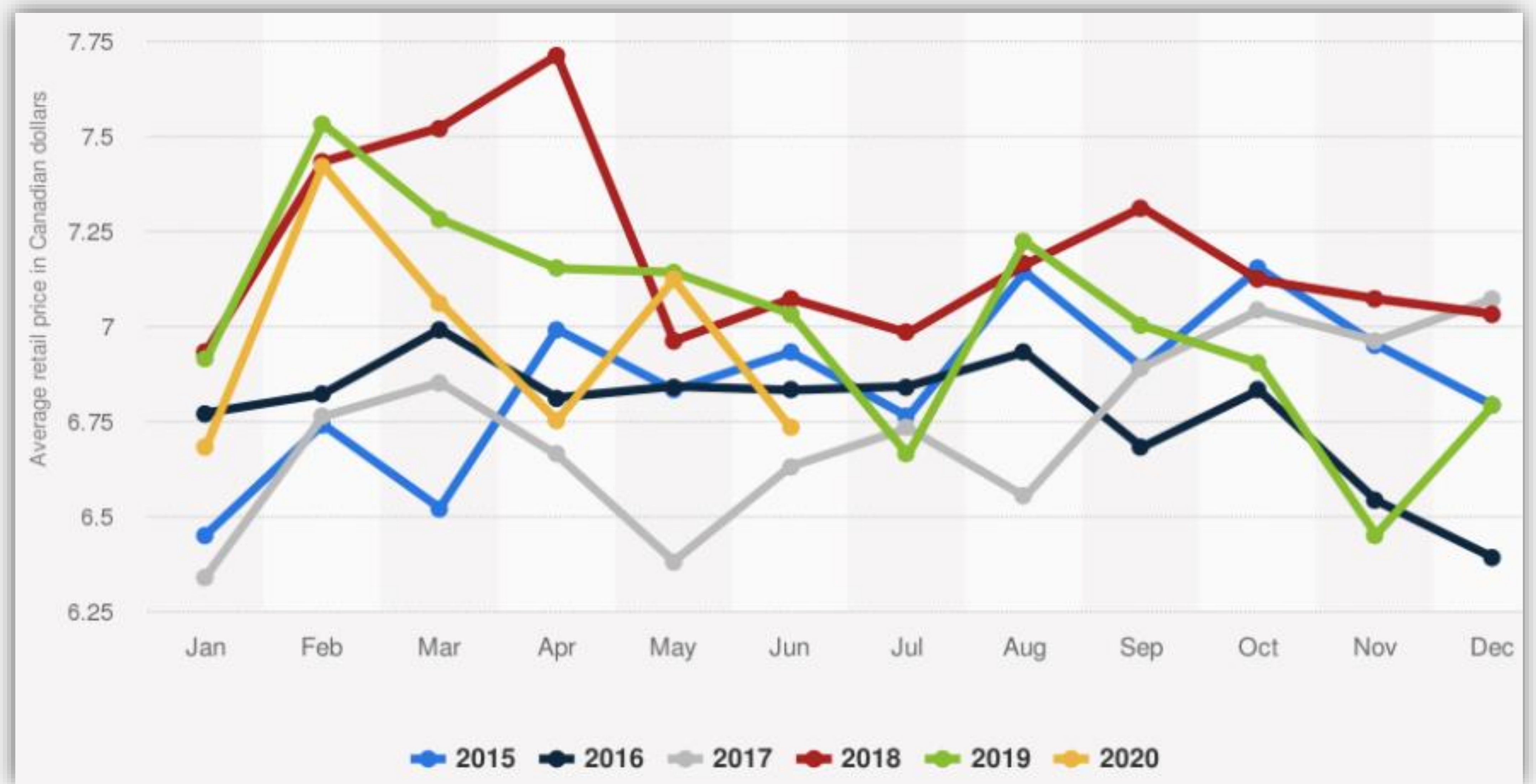
- In Canada, coffee businesses drive important sustainability initiatives in store design, recycling and operating practices. They also make a difference in their communities by supporting many charitable events and activities.

Source: Coffee Association of Canada

PRICE

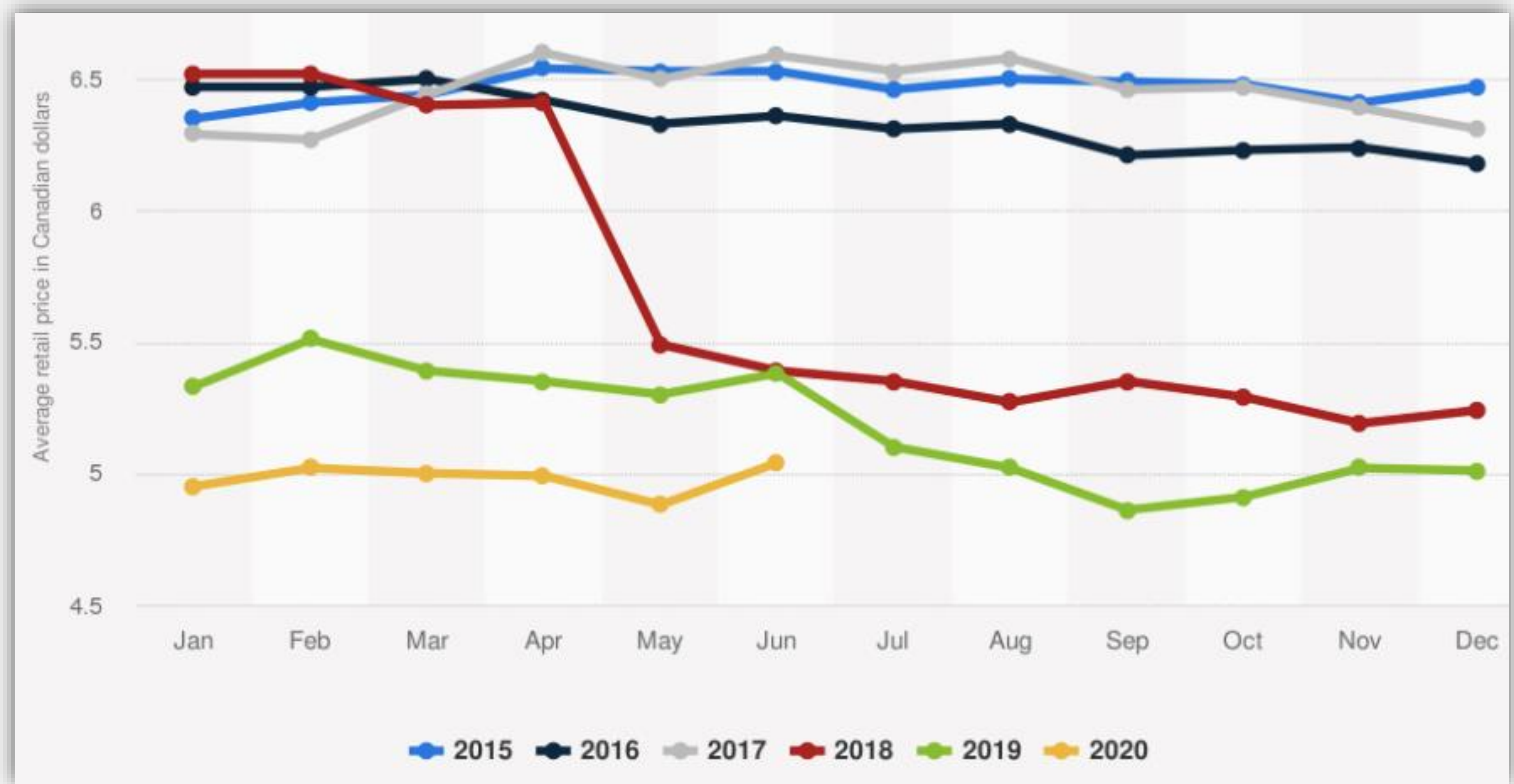
Retail price: Instant and Roasted coffee

Average instant coffee retail price in Canada 2015-2020 (in CAD per 200 grams)



- In June 2020, the average retail price for instant coffee in Canada was **$6.73** Canadian dollars per **200 grams.**

Average roasted coffee retail price in Canada 2015-2020 (in CAD per 300 grams)



- In June 2020, the average retail price for roasted coffee in Canada was **$5.04** Canadian dollars per **300 grams**.

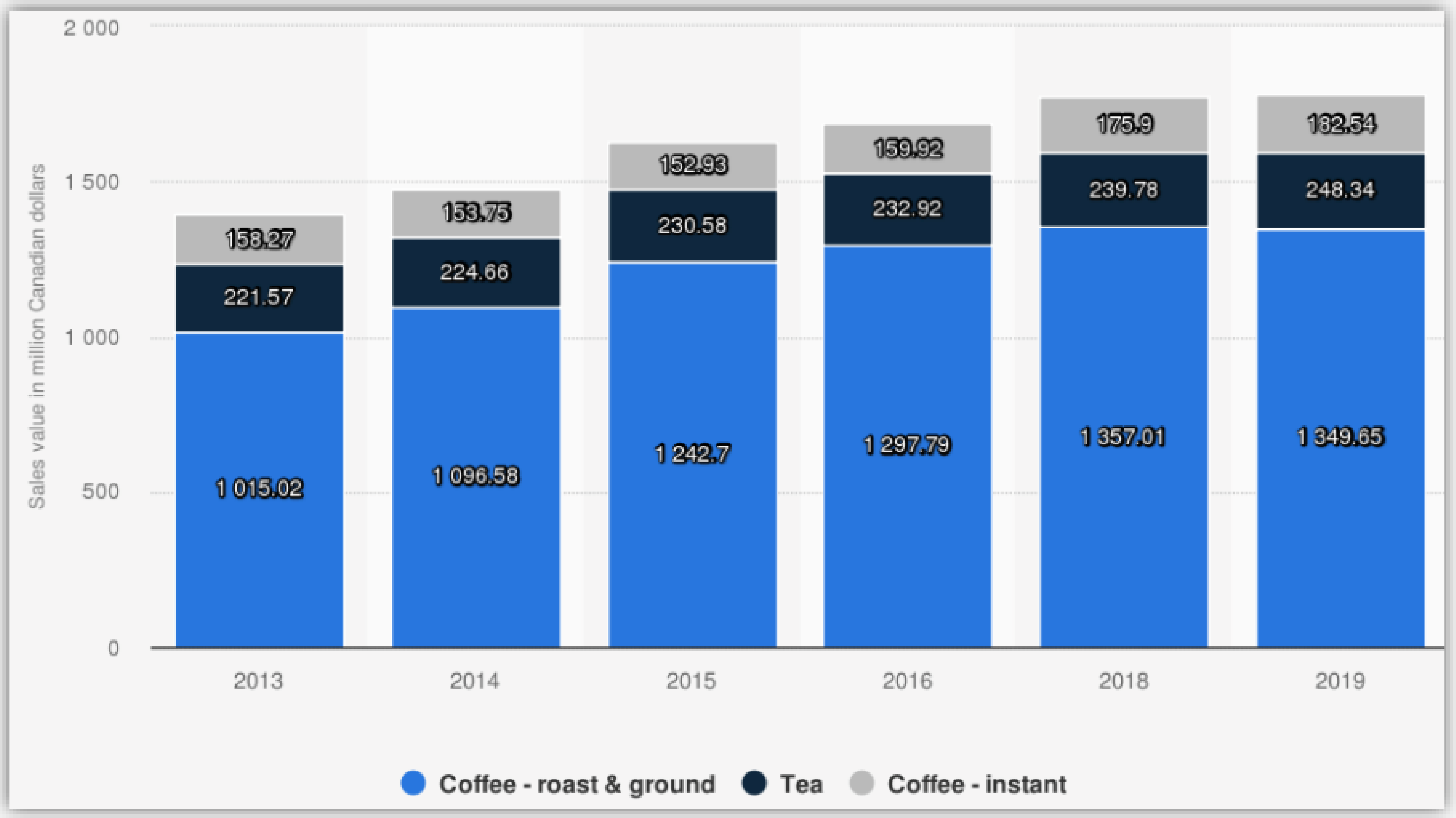
Source: Statista

SALES VALUE

- In 2019, roasted and ground coffee had sales value of approximately 1.35 billion CAD.
- While the sale value of roast and ground coffee had constantly increased since 2013, they noted a slight decrease in 2019.
- Sales value of instant coffee has been showing continuous growth since 2013.

Canadian sales value of coffee and tea by type between 2013 and 2019

(In Million CAD)



Source: Statista

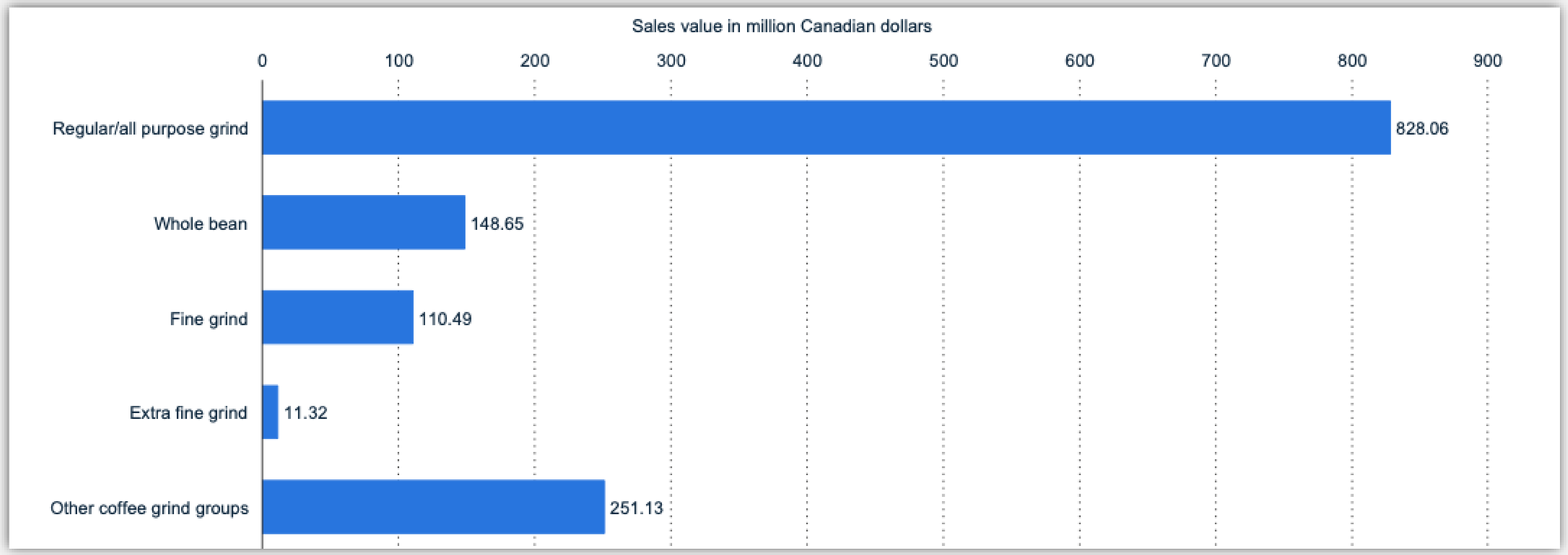
SALES VALUE

Segmentation by category

- In 2019, regular/all-purpose grind coffee had sales value amounting to approximately 828.06 million CAD.

Canadian sales value of roasted and ground coffee by category in 2019

(In Million CAD)



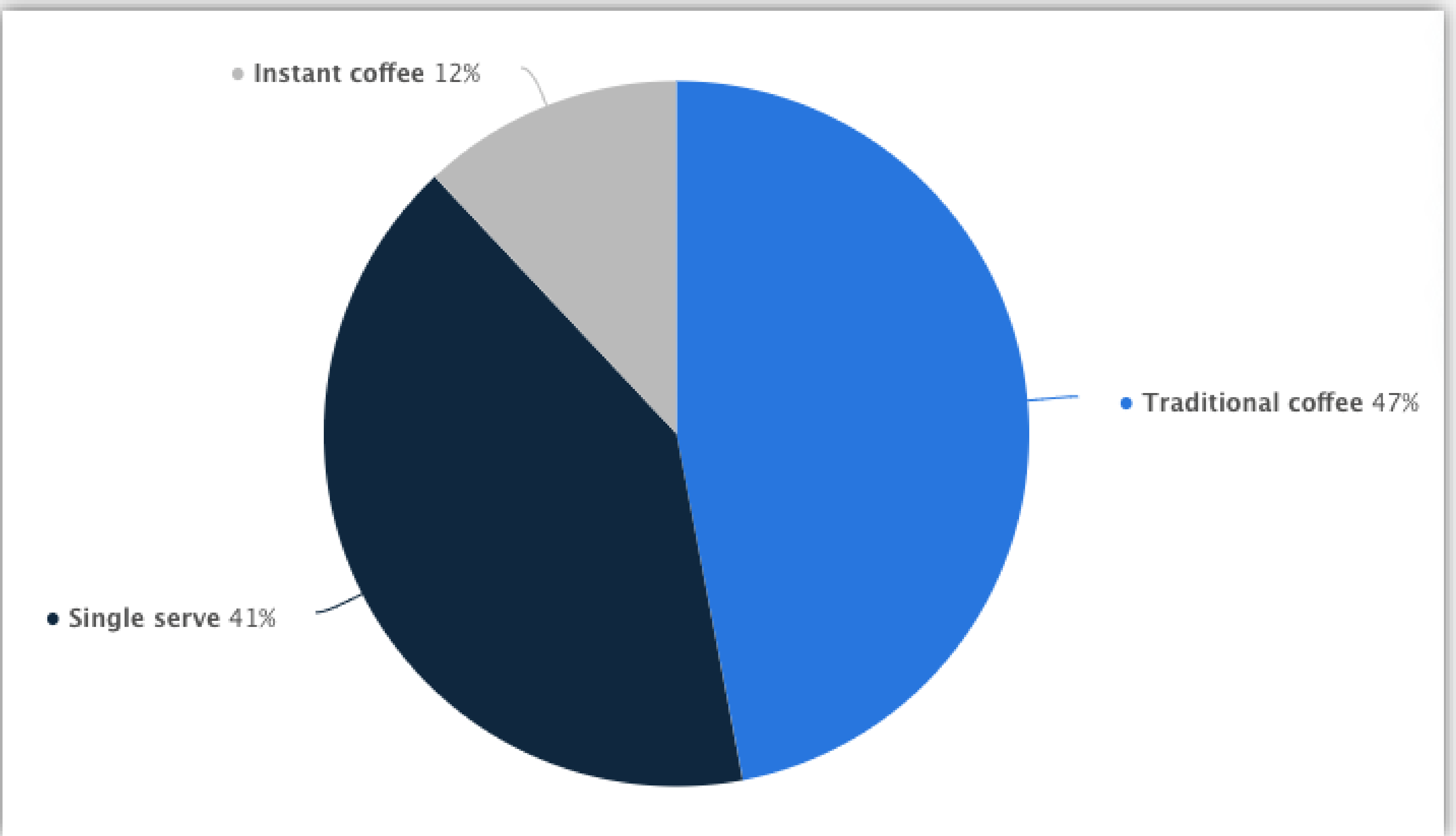
Source: Statista

SALES VALUE

Segmentation by type of coffee

- Almost half of all coffee sold in Canada in the 52 weeks ending June 22, 2019, was classified as traditional coffee.
- Single serve coffee was the second most popular type in terms of dollar sales share, with a 41 percent share of sales.

Canadian coffee market share of sales by product in 2019



Source: Statista

SALES VALUE

The Fresh Coffee category stands out in the retail sales.

In the Fresh Ground Coffee subcategory, the retail sales leading segments are **fresh ground coffee pods** and **standard fresh ground coffee**.

Retail sales of coffee by category: Value 2015-2020 (In Million CAD)

CAD million	2015	2016	2017	2018	2019	2020
Fresh Coffee	1,536.7	1,592.3	1,647.6	1,679.8	1,707.6	2,011.3
- Fresh Coffee Beans	184.9	200.7	214.8	225.4	235.9	288.3
- Fresh Ground Coffee	1,351.8	1,391.7	1,432.8	1,454.4	1,471.8	1,723.1
-- Fresh Ground Coffee Pods	758.5	781.3	803.2	815.3	824.0	959.2
-- Standard Fresh Ground Coffee	593.3	610.3	629.6	639.1	647.8	763.9
Instant Coffee	170.1	179.8	190.4	201.1	211.0	254.0
- Instant Standard Coffee	136.7	141.1	146.1	151.5	156.1	190.3
-- Regular Instant Standard Coffee	124.1	128.3	133.2	137.8	141.6	171.8
-- Decaffeinated Instant Standard Coffee	12.6	12.8	12.9	13.7	14.6	18.4
- Instant Coffee Mixes	33.4	38.7	44.3	49.6	54.8	63.7
-- Regular Instant Coffee Mixes	33.4	38.7	44.3	49.6	54.8	63.7
-- Decaffeinated Instant Coffee Mixes	-	-	-	-	-	-
Coffee	1,706.8	1,772.1	1,838.0	1,880.9	1,918.6	2,265.3

Source: Euromonitor International

SALES VOLUME

- The **fresh coffee** and **instant coffee** segment have seen **similar off-trade volume increases in 2020**. Although many consumers enjoy the **taste of fresh coffee**, and this is by far the largest category, **instant coffee offers convenience**.

- **The highest growth category in 2020 is within instant coffee**, with decaffeinated instant standard coffee seeing a dynamic off-trade volume increase, although from a low base.

- **Fresh ground coffee pods have seen the slowest off-trade volume growth**, as despite offering convenience, increasing numbers of consumers are concerned about the **sustainability** of these products. These are also the most **expensive** coffee products, and some consumers are price sensitive.

Retail sales of coffee by category: volume 2015-2020

Tonnes	2015	2016	2017	2018	2019	2020
Fresh Coffee	57,162.8	58,292.0	59,367.3	60,185.4	61,077.0	72,958.5
- Fresh Coffee Beans	8,508.1	9,062.8	9,532.6	10,045.5	10,563.4	12,748.6
- Fresh Ground Coffee	48,654.8	49,229.2	49,834.7	50,139.9	50,513.6	60,209.9
-- Fresh Ground Coffee Pods	9,900.8	10,155.0	10,234.2	10,347.7	10,501.9	12,171.9
-- Standard Fresh Ground Coffee	38,753.9	39,074.2	39,600.5	39,792.3	40,011.7	48,038.0
Instant Coffee	6,613.9	6,868.6	7,106.9	7,403.1	7,683.6	9,159.4
- Instant Standard Coffee	5,317.3	5,457.9	5,586.2	5,732.4	5,865.5	7,053.2
-- Regular Instant Standard Coffee	4,945.3	5,078.8	5,200.7	5,330.3	5,446.6	6,528.0
-- Decaffeinated Instant Standard Coffee	372.0	379.1	385.5	402.1	418.9	525.2
- Instant Coffee Mixes	1,296.6	1,410.7	1,520.7	1,670.7	1,818.1	2,106.2
-- Regular Instant Coffee Mixes	1,296.6	1,410.7	1,520.7	1,670.7	1,818.1	2,106.2
-- Decaffeinated Instant Coffee Mixes	-	-	-	-	-	-
Coffee	63,776.7	65,160.6	66,474.2	67,588.5	68,760.6	82,117.9

Source: Euromonitor International

VALUE GROWTH

- Over the 2015-2020 period, instant coffee showed a higher percentage of value growth than fresh coffee.
- Within fresh coffee categories, fresh coffee beans showed the highest percentage value growth.
- Within the instant coffee category, the instant coffee mixes stands out. It showed the highest percentage value growth amongst all other categories with 90.6% for the total period of 2015-2020.

Retail sales of coffee by category: % value growth 2015-2020

% current value growth	2019/20	2015-20 CAGR	2015/20 Total
Fresh Coffee	17.8	5.5	30.9
- Fresh Coffee Beans	22.2	9.3	55.9
- Fresh Ground Coffee	17.1	5.0	27.5
-- Fresh Ground Coffee Pods	16.4	4.8	26.5
-- Standard Fresh Ground Coffee	17.9	5.2	28.7
Instant Coffee	20.4	8.3	49.3
- Instant Standard Coffee	21.9	6.8	39.2
-- Regular Instant Standard Coffee	21.4	6.7	38.5
-- Decaffeinated Instant Standard Coffee	26.7	7.9	46.3
- Instant Coffee Mixes	16.2	13.8	90.6
-- Regular Instant Coffee Mixes	16.2	13.8	90.6
-- Decaffeinated Instant Coffee Mixes	-	-	-
Coffee	18.1	5.8	32.7

Source: Euromonitor International

FORECAST SALES VALUE

- The fresh coffee category is expected to decline in the retail sales.
- Instant coffee will benefit from its lower unit price than fresh coffee, due to the lingering economic impact of COVID-19. However, sales of instant coffee are growing from a lower base, as most consumers still prefer the taste of fresh coffee.

Forecast retail sales of coffee by category: value 2020-2025 (In Million CAD)

	2020	2021	2022	2023	2024	2025
Fresh Coffee	2,011.3	1,793.0	1,829.0	1,851.3	1,863.0	1,872.0
- Fresh Coffee Beans	288.3	262.1	268.5	277.1	286.1	295.7
- Fresh Ground Coffee	1,723.1	1,530.9	1,560.6	1,574.3	1,576.8	1,576.3
-- Fresh Ground Coffee Pods	959.2	855.2	880.2	891.6	894.2	895.1
-- Standard Fresh Ground Coffee	763.9	675.7	680.4	682.7	682.6	681.2
Instant Coffee	254.0	231.8	240.0	247.9	256.0	264.3
- Instant Standard Coffee	190.3	165.3	168.2	170.8	173.5	176.2
-- Regular Instant Standard Coffee	171.8	150.1	152.8	155.2	157.8	160.2
-- Decaffeinated Instant Standard Coffee	18.4	15.2	15.4	15.6	15.8	16.0
- Instant Coffee Mixes	63.7	66.5	71.8	77.1	82.5	88.2
-- Regular Instant Coffee Mixes	63.7	66.5	71.8	77.1	82.5	88.2
-- Decaffeinated Instant Coffee Mixes	-	-	-	-	-	-
Coffee	2,265.3	2,024.8	2,069.0	2,099.2	2,119.0	2,136.3

Source: Euromonitor International

FORECAST VOLUME GROWTH

- Off-trade, instant coffee is expected to see a better performance than fresh coffee in the forecast period.
- Within fresh coffee, fresh coffee beans are expected to see the strongest increase. Some consumers enjoy the whole process of making coffee at home, whilst fresh coffee beans with attractive labels, such as organic, rainforest alliance certified and fair trade, are also likely to contribute to growth, appealing to consumers with higher incomes.

Forecast retail sales of coffee by category: % volume growth 2015-2020.

% volume growth	2020/21	2020-25 CAGR	2020/25 Total
Fresh Coffee	-13.1	-1.5	-7.1
- Fresh Coffee Beans	-8.5	1.3	6.6
- Fresh Ground Coffee	-14.0	-2.1	-10.0
-- Fresh Ground Coffee Pods	-9.2	0.3	1.4
-- Standard Fresh Ground Coffee	-15.2	-2.7	-12.9
Instant Coffee	-10.0	0.4	2.1
- Instant Standard Coffee	-12.9	-1.1	-5.5
-- Regular Instant Standard Coffee	-12.6	-1.0	-4.9
-- Decaffeinated Instant Standard Coffee	-17.5	-2.9	-13.9
- Instant Coffee Mixes	-0.1	5.0	27.5
-- Regular Instant Coffee Mixes	-0.1	5.0	27.5
-- Decaffeinated Instant Coffee Mixes	-	-	-
Coffee	-12.7	-1.3	-6.1

Source: Euromonitor International

SALES VOLUME

Retail sales of fresh coffee by regular vs. decaffeinated : volume % 2015-2020

% retail volume	2015	2016	2017	2018	2019	2020
Total	100.0	100.0	100.0	100.0	100.0	100.0
Decaffeinated	6.0	6.1	6.1	6.2	6.3	6.2
Regular	94.0	93.9	93.9	93.8	93.7	93.8

Regular coffee dominates the retail sales of fresh coffee in the Canadian market.

Source: Euromonitor International

SALES VOLUME

Retail sales of fresh ground coffee pods by hard vs. soft : volume % 2015-2020

% retail volume	2015	2016	2017	2018	2019	2020
Hard Coffee Pods	69.6	72.9	74.3	75.9	77.7	77.9
Soft Coffee Pods	30.4	27.1	25.7	24.1	22.3	22.1
Total	100.0	100.0	100.0	100.0	100.0	100.0

Hard coffee pods dominate the retail sales of fresh ground coffee pods in the Canadian market.

Source: Euromonitor International

COMPANY SHARE OF COFFEE

- **Keurig Canada maintains its lead-in coffee in 2020, with a 26% off-trade value share, followed by Kraft Canada with 21%.**

- However, Keurig Canada has seen a slight share decline in 2020, due to its falling share in fresh ground coffee pods. The company is dominant in this category, which has not performed as well as others within coffee in 2020, which has negatively affected its share.

- There is also a great deal of competition in the coffee pods category, especially as players have been trying to make their products more sustainable. Keurig has already made its K-Cup pods recyclable by upgrading the type of plastic, which can be disposed of at most municipal recycling plants.
- However, Nestlé Canada now also offers a recycling system for its well-known Nespresso pods, and this company has managed to increase its share in 2020.
- The strongest share increase in fresh ground coffee pods, however, has been seen by private labels, as many consumers tried to cut costs, and the quality of private label products is increasingly considered to be close to that of branded lines.
- McDonald's is changing its packaged coffee partner, after Kraft Heinz's license for the McCafé brand expired in Canada in December 2019. In September 2019 the fast food giant formed an agreement with Keurig Dr Pepper to sell McCafé packaged coffee in retail outlets. Keurig will be the exclusive manufacturer of McCafé K-Cup pods in the US from the second half of 2020. This is expected to have an impact on company shares in the forecast period.

NBO Company share of coffee: % retail value 2016-2020

% retail value rsp Company	2016	2017	2018	2019	2020
Keurig Canada Inc	25.3	25.6	25.8	26.0	25.5
Kraft Canada Inc	23.9	23.1	22.3	21.4	21.2
Nestlé Canada Inc	7.2	7.3	12.3	12.7	12.9
JM Smucker Canada Inc	5.0	5.0	4.9	4.9	4.9
Kicking Horse Coffee Co Ltd	4.0	4.2	4.4	4.5	4.8
Loblaw Cos Ltd	4.3	4.3	4.3	4.3	4.3
Tim Hortons Inc	3.5	3.5	3.5	3.5	3.4
Melitta Canada Inc	1.9	1.9	1.9	1.9	1.9
Wal-Mart Canada Inc	1.3	1.3	1.3	1.3	1.3
Sobeys Inc	1.3	1.3	1.2	1.2	1.2
Eight O'Clock Coffee Co	0.9	1.0	1.0	1.0	1.0
Second Cup Coffee Co, The	0.7	0.7	0.7	0.7	0.8
Lavazza SpA, Luigi	0.4	0.4	0.4	0.4	0.4
Metro Inc	0.4	0.4	0.4	0.4	0.4
Massimo Zanetti Beverage USA	0.4	0.4	0.3	0.3	0.3
Starbucks Coffee Canada Inc	4.5	4.6	-	-	-
Van Houtte Inc	-	-	-	-	-
Green Mountain Coffee Roasters Inc	-	-	-	-	-
Mother Parkers Tea & Coffee Inc	-	-	-	-	-
GMCR Canada Holding Inc	-	-	-	-	-
Other Private Label	7.8	7.9	8.1	8.3	8.4
Others	7.1	7.2	7.2	7.2	7.2
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International

BRAND SHARE

- The leading brand of coffee in terms of share (in %) of retail value between in 2020 was Van Houtte (Keurig Dr Pepper Inc.).
- Kicking Horse (Lavazza) and Nescafé (Nestlé SA) gained respectively a share of 0.6% during the 2017-2020 period.
- Nabob (Kraft Heinz Co) noted the greatest loss of share between 2017 and 2020 by losing 0.7% share.

LBN Brand share of coffee: % retail value 2017-2020

% retail value rsp Brand (GBO)	Company (NBO)	2017	2018	2019	2020
Van Houtte (Keurig Dr Pepper Inc)	Keurig Canada Inc	-	7.2	7.3	7.3
Maxwell House (Kraft Heinz Co)	Kraft Canada Inc	7.7	7.4	7.2	7.2
Nabob (Kraft Heinz Co)	Kraft Canada Inc	7.1	6.8	6.5	6.4
Tim Hortons (Restaurant Brands International Inc)	Keurig Canada Inc	5.1	5.2	5.3	5.2
Folgers (JM Smucker Co, The)	JM Smucker Canada Inc	5.0	4.9	4.9	4.9
Kicking Horse (Lavazza SpA, Luigi)	Kicking Horse Coffee Co Ltd	4.2	4.4	4.5	4.8
Starbucks (Nestlé SA)	Nestlé Canada Inc	-	3.9	4.0	4.0
President's Choice (Private Label)	Loblaw Cos Ltd	4.0	4.0	4.0	4.0
Nescafé (Nestlé SA)	Nestlé Canada Inc	3.2	3.4	3.6	3.8
Nespresso (Nestlé SA)	Nestlé Canada Inc	3.3	3.3	3.5	3.5
Tim Hortons	Tim Hortons Inc	3.5	3.5	3.5	3.4

Source: Euromonitor International

BRAND SHARE

Continued

- It is worth mentioning that other private label brands grew their share of coffee, with a 0.5% gain over the course of 2017-2020 period.

LBN Brand share of coffee: % retail value 2017-2020

% retail value rsp Brand (GBO)	Company (NBO)	2017	2018	2019	2020
Folgers (JM Smucker Co, The)	Keurig Canada Inc	3.1	3.2	3.2	3.1
Maxwell House Café International Coffees (Kraft Heinz Co)	Kraft Canada Inc	3.0	3.0	3.1	3.1
Starbucks (Nestlé SA)	Keurig Canada Inc	-	2.5	2.5	2.4
McCafé (McDonald's Corp)	Keurig Canada Inc	2.1	2.1	2.1	2.1
Melitta (Melitta Unternehmensgruppe Bentz KG)	Melitta Canada Inc	1.9	1.9	1.9	1.9
Timothy (Keurig Dr Pepper Inc)	Keurig Canada Inc	-	1.9	1.9	1.8
Maxwell House (Kraft Heinz Co)	Keurig Canada Inc	1.9	1.9	1.8	1.8
McCafé (McDonald's Corp)	Kraft Canada Inc	1.9	1.8	1.7	1.6
Tim Hortons (Restaurant Brands International Inc)	Kraft Canada Inc	1.6	1.5	1.4	1.4
Compliments (Private Label)	Sobeys Inc	1.3	1.2	1.2	1.2
Our Finest (Private Label)	Wal-Mart Canada Inc	1.2	1.2	1.2	1.2
Eight O'Clock (Tata Consumer Products Ltd)	Eight O'Clock Coffee Co	-	-	-	1.0
Nescafé Taster's Choice (Nestlé SA)	Nestlé Canada Inc	0.8	0.8	0.8	0.9
Starbucks Via Ready Brew (Nestlé SA)	Nestlé Canada Inc	-	0.7	0.8	0.8
Second Cup	Second Cup Coffee Co, The	0.7	0.7	0.7	0.8
Lavazza	Lavazza SpA, Luigi	0.4	0.4	0.4	0.4
Irresistibles (Private Label)	Metro Inc	0.4	0.4	0.4	0.4
Nabob (Kraft Heinz Co)	Keurig Canada Inc	0.4	0.4	0.4	0.4
No Name (Private Label)	Loblaw Cos Ltd	0.3	0.3	0.3	0.3
Eight O'Clock (Tata Global Beverages Ltd)	Eight O'Clock Coffee Co	1.0	1.0	1.0	-
Van Houtte (Keurig Green Mountain Inc)	Keurig Canada Inc	7.2	-	-	-
Starbucks (Starbucks Corp)	Starbucks Coffee Canada Inc	3.9	-	-	-
Starbucks (Starbucks Corp)	Keurig Canada Inc	2.5	-	-	-
Timothy (Keurig Green Mountain Inc)	Keurig Canada Inc	1.9	-	-	-
Starbucks Via Ready Brew (Starbucks Corp)	Starbucks Coffee Canada Inc	0.7	-	-	-
Other Private Label (Private Label)	Other Private Label	7.9	8.1	8.3	8.4
Others	Others	10.9	10.7	10.6	10.4
Total	Total	100.0	100.0	100.0	100.0

Source: Euromonitor International

SALES IN CAFÉS/BARS

- Specialist coffee and tea shops were negatively impacted by the widespread remote work policies, retail store closures and restrictions on in-store consumption during the lockdown periods. As the majority of Canadians self-isolated at home, many looked to recreate the coffee shop experience at home, leading to a strong uptick in at-home coffee and tea consumption during the COVID-19 pandemic, at the expense of specialist coffee and tea shops.

- Chained specialist coffee and tea shops is the least severely affected channel within cafés/bars with a consumer food service values decline of 22% to reach CAD1.3 billion in 2020.

- Cafés/bars record a consumer food service decline of 42% to reach CAD3.4 billion in 2020, with a 31% fall in the number of transactions, while the number of outlets declines by 9% to 8,229.

- Starbucks Coffee Canada leads cafés/bars with a consumer food service value share of 18% in 2020.

Sales in Cafés/Bars by Category: Foodservice Value 2015-2020 (In Million CAD)

CAD million	2015	2016	2017	2018	2019	2020
Bars/Pubs	2,348.9	2,383.9	2,423.7	2,479.7	2,468.0	1,114.4
- Chained	330.2	315.4	317.9	319.2	318.1	138.4
- Independent	2,018.6	2,068.5	2,105.8	2,160.5	2,149.9	976.1
Cafés	117.8	118.9	120.6	123.5	125.9	63.8
- Chained	-	-	-	-	-	-
- Independent	117.8	118.9	120.6	123.5	125.9	63.8
Juice/Smoothie Bars	754.7	765.2	788.3	811.3	830.2	319.1
- Chained	169.3	173.9	180.5	185.2	190.9	78.0
- Independent	585.4	591.3	607.9	626.1	639.3	241.1
Specialist Coffee and Tea Shops	2,151.2	2,199.0	2,265.8	2,323.2	2,440.3	1,894.1
- Chained	1,467.9	1,510.5	1,564.8	1,608.6	1,706.8	1,338.1
- Independent	683.3	688.5	700.9	714.6	733.6	556.0
Chained Cafés/Bars	1,967.4	1,999.7	2,063.2	2,113.0	2,215.7	1,554.5
Independent Cafés/Bars	3,405.1	3,467.2	3,535.1	3,624.7	3,648.7	1,837.0
Cafés/Bars	5,372.5	5,466.9	5,598.3	5,737.6	5,864.4	3,391.5

Source: Euromonitor International

FORECAST SALES IN CAFÉS/BARS

- Cafés/bars are expected to record strong double-digit constant 2020 consumer food service value growth rates in 2021 and 2022, followed by more moderate rates over the reminder of the forecast period. Even so, actual value sales will only reach pre-pandemic levels in 2025, such was the impact of the pandemic in 2020.

- Cafés/bars are expected to record a current foodservice value CAGR of 14% (a 12% 2020 constant value CAGR) over the forecast period with a CAGR of 1% in terms of outlets to reach 8,480 by 2025.

- Specialist coffee and tea shops are likely to witness steady growth throughout the forecast period. While the remote work trend will continue to present a challenge for some time to come, consumer spending is anticipated to bounce back as the economy begins to reopen, and specialist coffee and tea shops will remain popular with consumers as a place to socialize as well as to work and study.

Forecast Sales in Cafés/Bars by Category: Foodservice Value 2020-2025 (In Million CAD $)

CAD million	2020	2021	2022	2023	2024	2025
Bars/Pubs	1,114.4	1,818.7	2,120.2	2,277.9	2,408.2	2,507.1
- Chained	138.4	232.6	275.6	294.9	308.2	318.9
- Independent	976.1	1,586.1	1,844.6	1,983.0	2,100.0	2,188.2
Cafés	63.8	78.0	90.7	100.8	107.9	112.8
- Chained	-	-	-	-	-	-
- Independent	63.8	78.0	90.7	100.8	107.9	112.8
Juice/Smoothie Bars	319.1	459.5	582.4	714.5	772.4	817.6
- Chained	78.0	111.0	139.4	167.8	178.7	187.6
- Independent	241.1	348.6	443.0	546.7	593.7	629.9
Specialist Coffee and Tea Shops	1,894.1	2,062.2	2,182.4	2,293.0	2,378.4	2,459.2
- Chained	1,338.1	1,459.9	1,544.5	1,615.6	1,670.5	1,722.3
- Independent	556.0	602.3	637.9	677.4	707.9	736.9
Chained Cafés/Bars	1,554.5	1,803.4	1,959.5	2,078.3	2,157.4	2,228.9
Independent Cafés/Bars	1,837.0	2,615.0	3,016.2	3,307.9	3,509.5	3,667.9
Cafés/Bars	3,391.5	4,418.4	4,975.7	5,386.2	5,666.9	5,896.8

Source: Euromonitor International

HOT DRINKS INDUSTRY

The hot drinks market is growing by 6.8% in 2018, to reach a value of 3.4 billion USD in 2018.

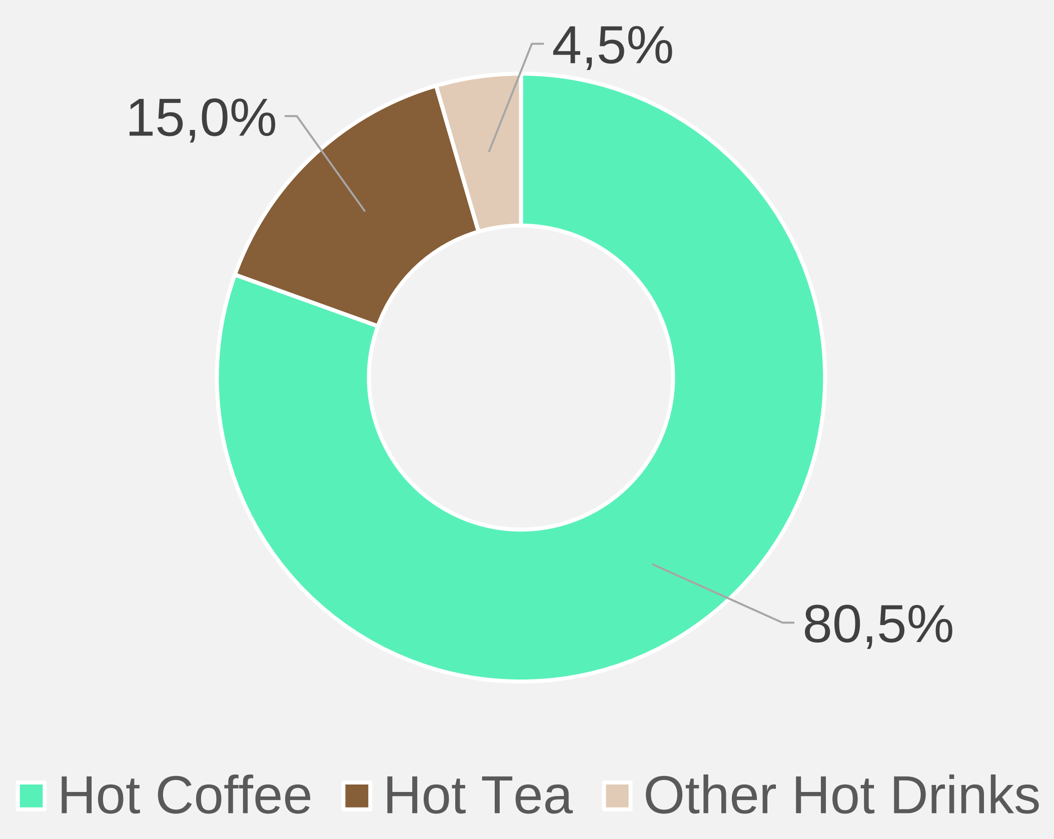
The hot drinks market in Canada includes 3 market category segmentation: hot coffee, hot tea and other hot drinks.

Hot coffee is the largest segment of the hot drinks market in Canada, accounting for 80.5% of the market's total value.

MARKET VALUE : 3.4 billion USD

Annual growth 2014-2018: 6.4%

% of share by value 2018



Source: Marketline

DEMAND DETERMINANTS

Demand for the Coffee and Hot drinks industry in Canada is determined by a wide variety of factors, including strong economic conditions, household income, attitudes to health and climate conditions.

Income and expenditure

- Strong economic conditions and rising disposable income are the primary factors responsible for the growth of this market.

Climate

- Extreme cold climatic conditions are creating high demand for hot drinks in the country.

Health awareness

- Rising health consciousness has a direct effect on industry operators, as Canadian consumers have become increasingly concerned about fat content, fried foods and salt content, especially when dining out. Rising health awareness among the consumers increased the demand for premium coffee and green tea in the country.

Source: MarketLine

LEADING PLAYERS

- The Canadian hot drinks market is rather consolidated, with the four leading companies, Jacobs Douwe Egberts, Keurig Green Mountain, Nestle SA and Starbucks a 64.3% market share in 2018.

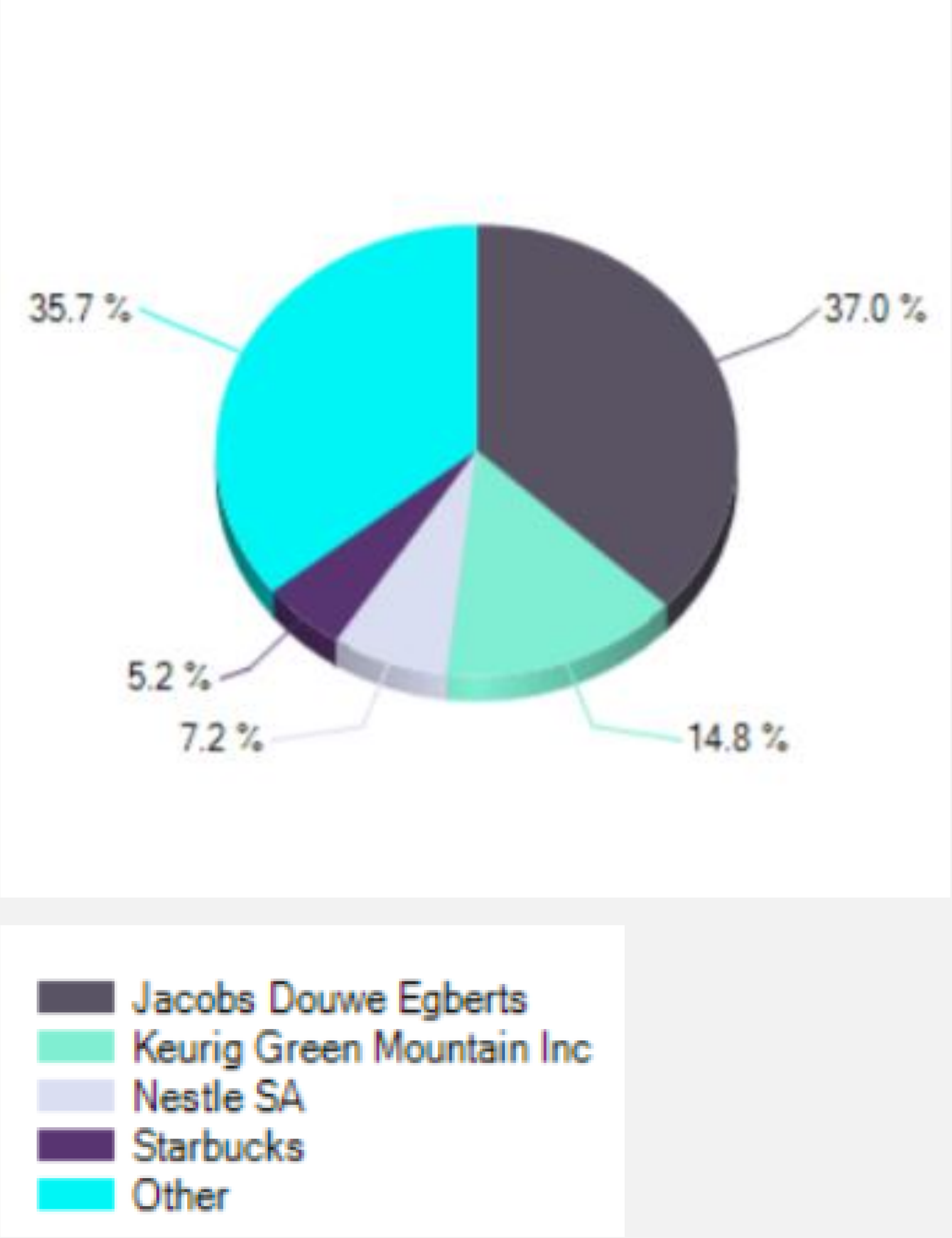
- Dutch-based multinational Jacobs Douwe Egberts is the leading player in the Canadian hot drinks market, accounting for 37.0% of the market value in 2018 .

- Keurig Green Mountain Inc is the second leading player in the Canadian hot drinks market, accounting for 14.8% of the market value in 2018.

- In this situation, it is difficult for any one player to achieve price-setting power, and rivalry is stronger.

- While Tim Hortons is likely the nation's most well-known coffee provider, this company is classified as a restaurant by the North American Industry Classification System, and is therefore excluded from the Coffee and Snack Shops industry in Canada.

Canada hot drinks market share: % share, by value, 2018



Source: Marketline

LEADING PLAYERS

JACOBS DOUWE EGBERTS

Market Share : 37.0 %

Dutch-based multinational Jacobs Douwe Egberts is the leading player in the Canadian hot drinks market accounting for 37.0% of the market value in 2018 and is expected to retain its lead position in the coming years. The company accounted for a value shares of respectively 42.7% in hot coffee,14.6% in hot tea and 11.0% in other hot drinks segments in 2018.

Company Overview

As a subsidiary of Acorn Holdings B.V, it operates as a tea and coffee company. The company offers coffee machines, ingredients, and professional services for customers ranging from restaurants and theatres to hospitals and universities. It serves consumers across various countries through brands including, Jacobs, Tassimo, Moccona, Senseo, L'OR, Douwe Egberts, Super, Kenco, Pilao and Gevalia. Tassimo which is owned by Jacobs Douwe Egberts, is the most popular brand in the Canadian hot drinks market, accounting for a value share of 17.4%, in 2018. Maxwell House owned by Jacobs Douwe Egberts is also a top brand of the sector, which held brand value share of 11.9%, in 2018.

Source: Marketline

LEADING PLAYERS

KEURIG GREEN MOUNTAIN INC (Keurig Dr Pepper Inc.)

Market Share : 14.8 %

The US-based multinational Keurig Green Mountain Inc is the second leading player in the Canadian hot drinks market, accounting for 14.8% of the market value in 2018. The company accounted for a value share of 18.4% in the hot coffee segment in 2018. Keurig witnessed loss of value share in the last four years, falling 0.1 percentage points, down from 14.9% in 2014 to 14.8% in 2018. Keurig Green Mountain merged with Dr Pepper Snapple Group in July 2018 in a deal worth $18.7 billion. The new entity is called Keurig Dr Pepper Inc.

Company Overview

Keurig Dr Pepper is a coffee and beverage company. The company's product portfolio includes coffees, flavoured soft drinks, teas and waters, juices, juice drinks and mixers, among others. It markets its products under the brands such as Green Mountain, Donut Shop, Laughing Man, Peets, Van Houtte, REVV, Tully's, Barista Bros, Hollys Coffee, and Kahlua, among others. The company operates through its manufacturing plants, warehouses and distribution centres across North America. Keurig - Overall is also a top brand of the sector, which held brand value share of 14.8% in 2018.

Source: Marketline

LEADING PLAYERS

NESTLE SA

Market Share : 7.2 %

Switzerland-based multinational Nestle SA is the third leading player in the Canadian hot drinks market, accounting for 7.2% of the market value in 2018.The company accounted for a value share of 69.0% and 5.1% in other hot drinks and hot coffee segments, respectively in 2018.

Company Overview

Nestle SA (Nestle) is a nutrition, health and wellness company. Its product portfolio includes baby food, bottled water, cereals, chocolate and confectionery, coffee, culinary products, chilled and frozen foods, dairy products, drinks, nutritional products, and ice cream. It offers these products under seven categories: Powdered and Liquid Beverages, Water, Milk Products and Ice Cream, Nutrition and Health Science, Prepared Dishes and Cooking Aids, Confectionery and PetCare. Nestle also offers weight management and pharmaceutical products. It markets products under several brands including Cerelac, Nescafe, Boost and Kit Kat. Along with its manufacturing facilities, subsidiaries, associate companies and joint ventures, the company has business operations worldwide.

Source: Marketline

LEADING PLAYERS

STARBUCKS

Market Share : 5.2 %

In the Canadian hot drinks market, the US-based Starbucks gained largest market share with a 0.1 percentage points increase in value terms over the last four years, increasing from 5.1% in 2014 to 5.2% in 2018.

Company Overview

Starbucks Corporation (Starbucks) commenced operations in Seattle in 1971 as a specialty fresh ground coffee retailer and coffee shop operator. The Canadian Starbucks story began in Vancouver, BC on March 1, 1987 with the opening of the Seabus Waterfront Skytrain location. This store was home to Starbucks Coffee’s first cafe outside of the U.S. and set the stage for the company's international growth. Canada is now home to over 1,400 stores, both licensed and company operated as well as over 23,000 Canadian partners. The company sells coffee, pastries, coffee accessories and more recently, breakfast options and sandwiches. Starbucks operates an estimated 31,000 stores across the globe, making it the largest coffee chain in the world.

Sources : IbisWorld, Starbucks & Marketline

NEW ENTRANTS

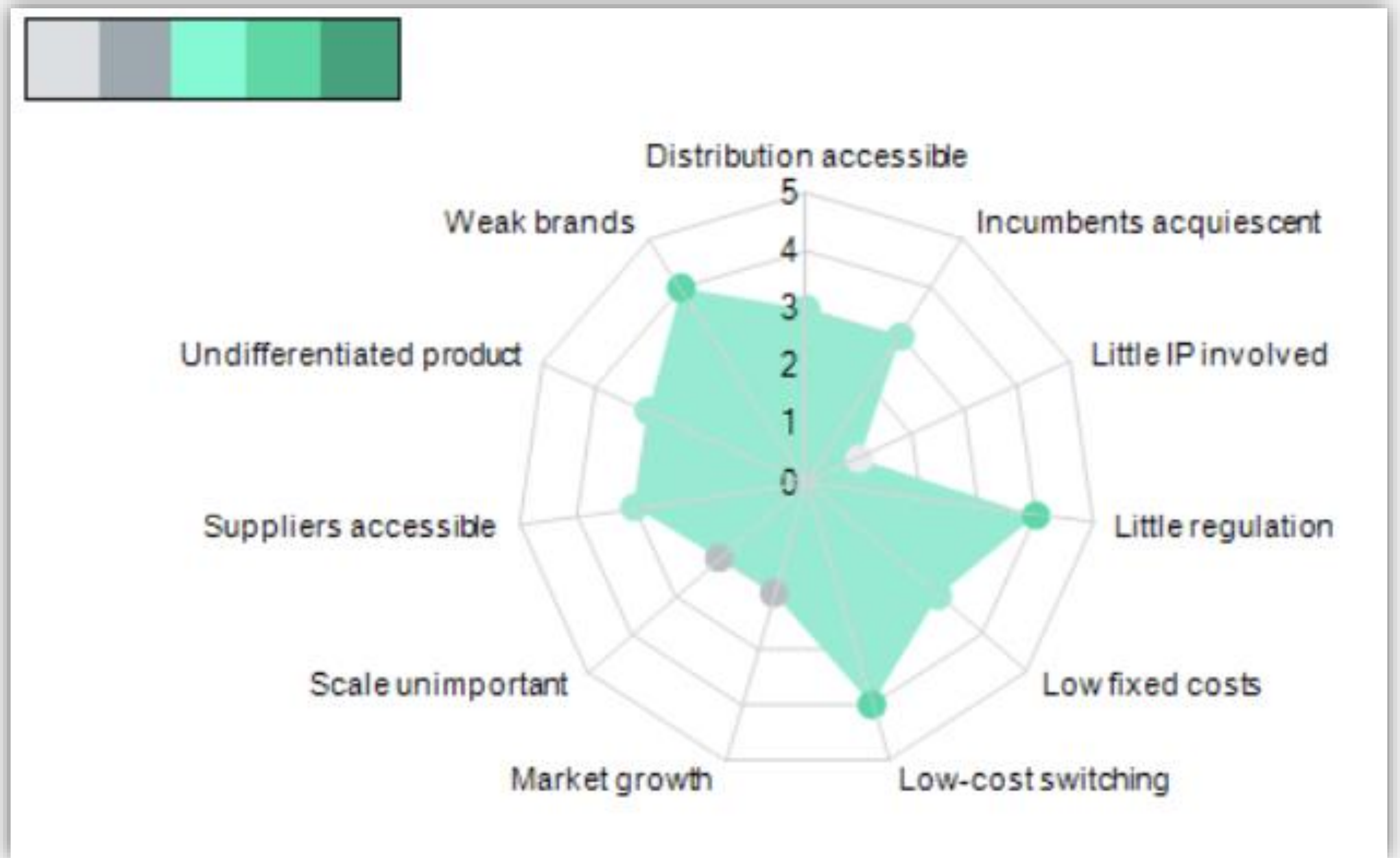
- The consumer market has changed greatly in recent years. Lifestyles have become busier with longer working hours, more women joining the workforce and a rising number of single-person households. These trends have led to increasing demand for convenience products and a subsequent growth in the fast-food sector. Specialist players, who market drinking as a lifestyle choice, such as coffee store chains are increasing their share of the hot drinks market.

- Large multinational companies, who manufacture products with exceptional brand strength and generally operate within other consumer markets such as Nestle, dominate the market through a variety of strong brands. It may be difficult for new entrants to compete effectively with such established players.

- Also, leading players typically operate with high economies of scale allowed by bulk production and this may constitute a considerable entry barrier for newcomers.

- However, a new entrant offering a higher-value "boutique" coffee, for example, could be successful at a small scale.

Factors influencing the likelihood of new entrants in the hot drinks market in Canada, 2018



Source: Marketline

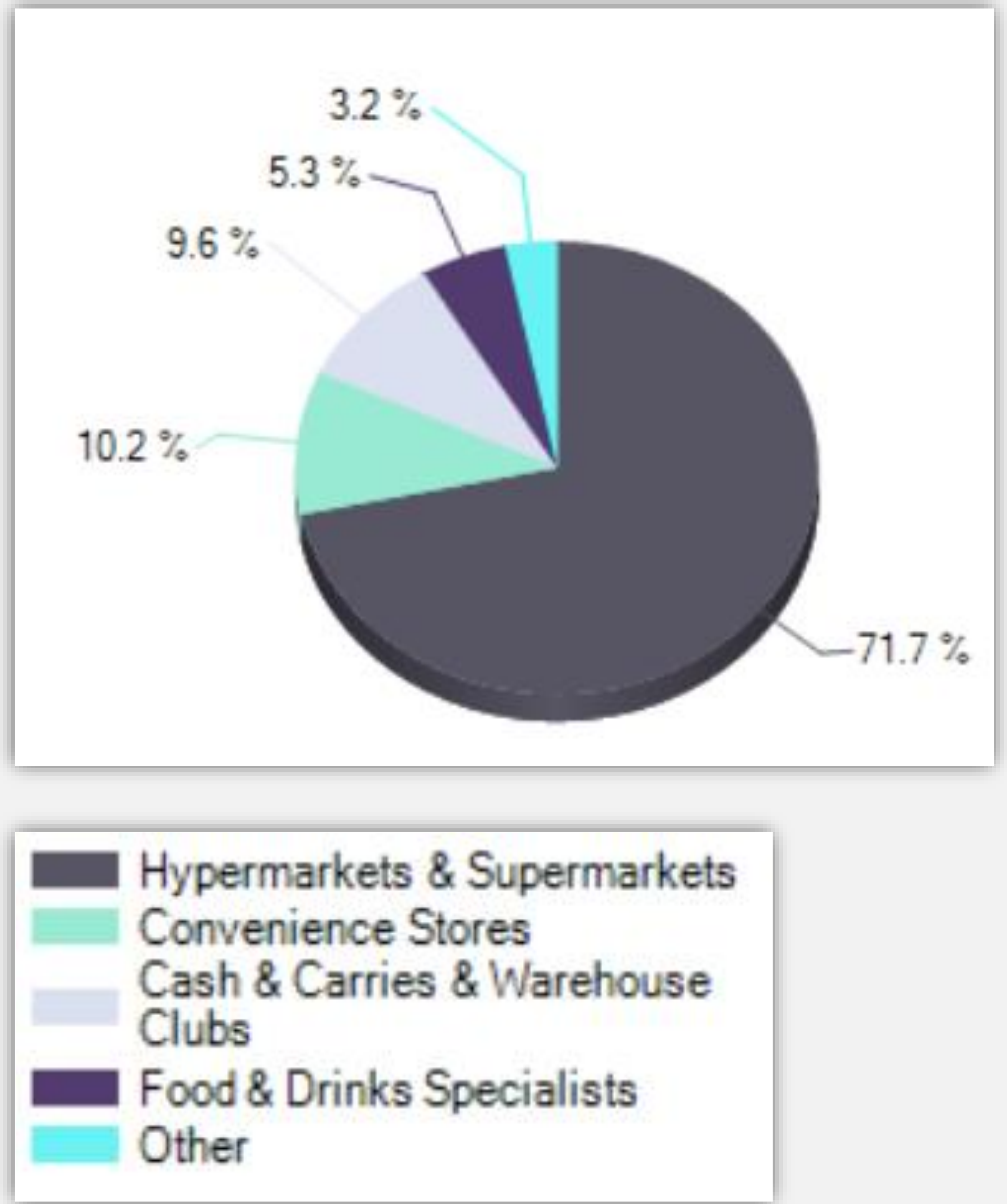
MARKET DISTRIBUTION

- Hypermarkets & Supermarkets form the leading distribution channel in the Canadian hot drinks market, accounting for a 71.7% share of the total market's value.

- Convenience stores account for a further 10.2% of the market.

- It is unusual for coffee roasting and marketing companies or tea companies, such as Nestle or Keurig, to integrate forwards into retail.
- However, some major coffee shop chains, whose main business is food service, also sell their branded beans or ground coffee in their shops.
- It is important for retailers to stock popular brands. Also, there are several ways for market players to differentiate their products. Recent innovations such as instant coffee composed of a mixture of soluble and ground coffee, or one-cup capsule systems like Nespresso or Tassimo, are examples of this. Overall, buyer power is strong.

Canada hot drink market distribution: % of share by value 2018



Source: Marketline

INDUSTRY ANALYSIS

Specialty food stores in Canada

INDUSTRY AT A GLANCE

The Specialty Food Stores industry in Canada sells specialty food products, such as baked goods, candy and snacks, artisanal cheeses and premium packaged coffee. Operators sell products labelled as organic, gourmet or all natural. Thus, industry goods are differentiated from standard foods sold at mainstream retail and grocery outlets.

This one declined at an annualized rate of 0.3% between 2015 and 2020 generating a total revenue of $3.1 billion (USD) in 2020. Industry revenue growth is expected to increase to an annualized rate of 3.2% to 3.6 billion (USD) over the next five years.

REVENUE : $3.1 billion (USD)
Annual growth 2015-2020 : -0.3%
Annual growth 2020-2025 : 3.2%

PROFIT : $45.8 M (USD)
Annual growth 2015-2020 : -21.7%

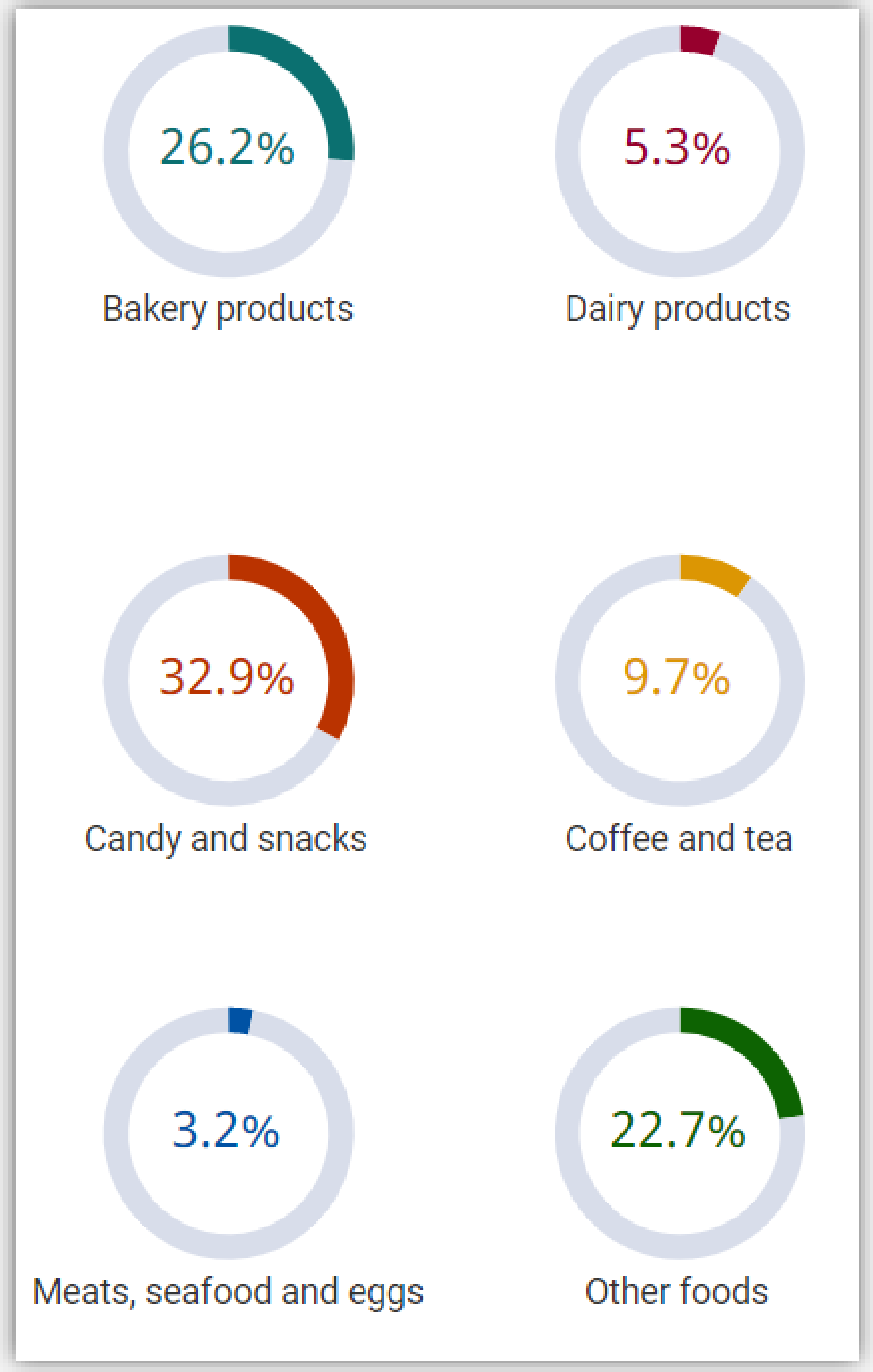
BUSINESSES : 7,281 companies
Annual growth 2015-2020 : 2.5%
Annual growth 2020-2025 : 2.9%

EMPLOYMENT : 34,753 employees
Annual growth 2015-2020 : 0.8%
Annual growth 2020-2025 : 3.0%

Source: IbisWorld

PRODUCTS & SERVICES SEGMENTATION

- Packaged coffee and tea products were expected to account for 9.7% of fine and specialized grocery stores' revenue in 2020.
- To differentiate themselves from supermarkets and conventional grocery stores that sell regular brands, specialized coffee and tea stores typically only sell gourmet and rare blends, such as loose-leaf teas, yerba mate or fair-trade whole bean coffees. Therefore, industry operators that offer these products cater specifically to the more sophisticated and avid coffee and tea drinker.
- Over the past five years, market share has increased for this segment as both better awareness of the potential antioxidant benefits of coffee and increased leisure time have boosted demand for these products.

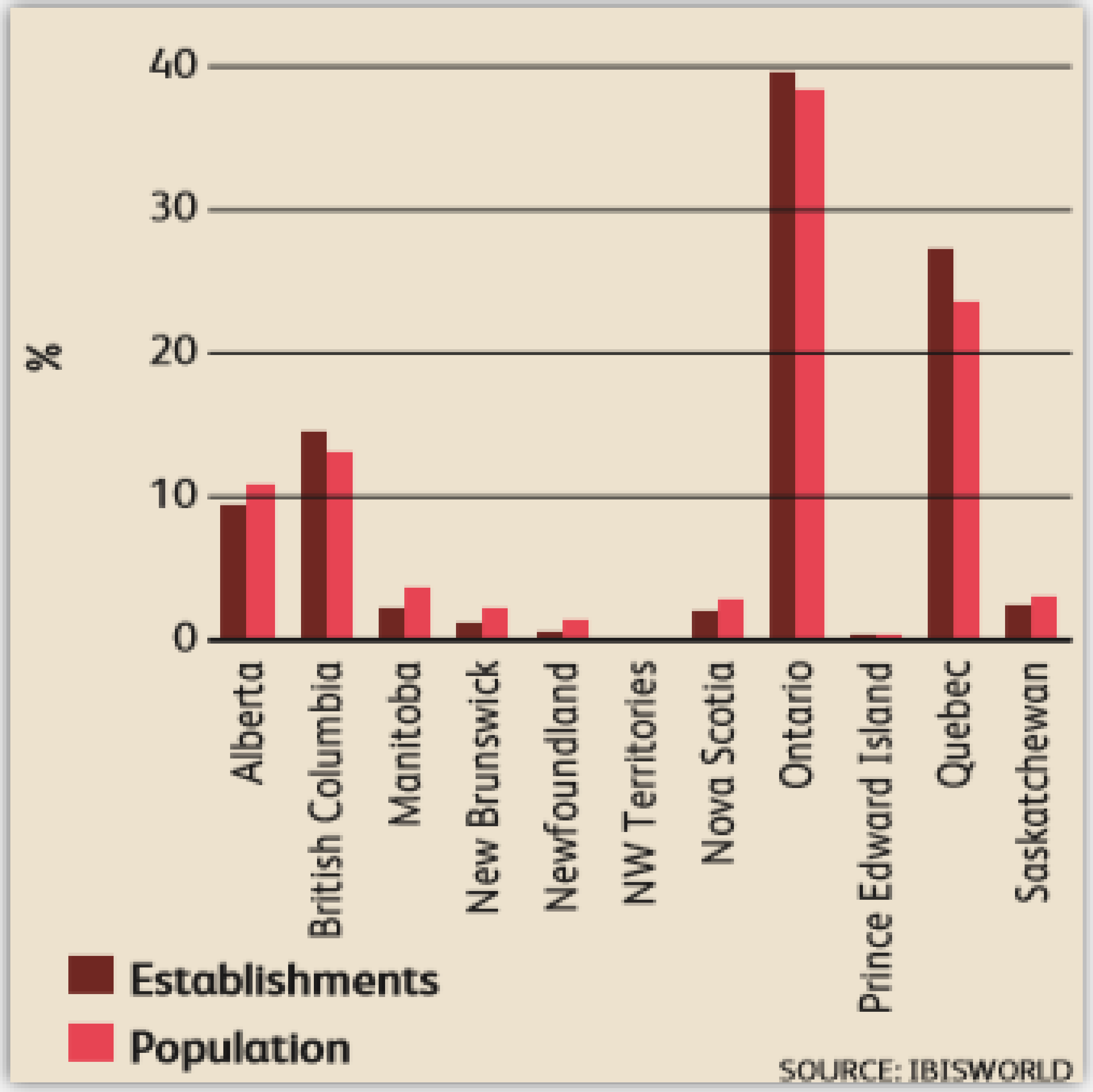


Source: Ibis World

BUSINESS LOCATIONS

- The distribution of establishments in the Specialty Food Stores industry in Canada closely follows the Canadian population, since most industry players are small-scale operations that cater to their respective local market.
- In general, specialty food retailers are concentrated in large urban and suburban districts such as the Greater Toronto Area, Greater Montreal or Metro Vancouver.
- Accordingly, Ontario, which is the nation's most populous province and home to Toronto, Canada's largest city, was expected to account for 39.6% of industry establishments in 2019.
- Quebec, which is home to 27.2% of all industry establishments, and British Columbia, which is home to 14.6% of establishments, represent the second and third-largest provinces for the industry.
- Alberta, which is home to Calgary, Edmonton and a few other midsize urban centres, was expected to account for 9.5% of industry establishments in 2019.

Establishments vs population, 2019



Source: Ibis World

MAJOR COMPANIES

- The Specialty Food Stores industry in Canada is highly fragmented, with the top three companies estimated to generate less than 5.0% of industry revenue in 2020.
- The majority of operators in this industry have four or fewer employees on its payroll and manage only one establishment.
- Due to a localized operating environment and the highly fragmented nature of the industry itself, no industry participant has a significant national presence or more than a 1.0% share of the overall market.

Dandelion Foods
Ontario
Market Share: Less than 1%

Located in Almonte, ON, Dandelion Foods retails whole, local and organic foods, as well as food for specialty diets. The company's expert staff is on hand to provide locally grown food and locally grown products, along with seminars and workshops on health, well-being and sustainable food. Dandelion Foods operates five departments, which include produce, grocery, bulk (e.g., grains, rice and nuts), health and beauty and wellness (e.g., supplements and vitamins).

Epicerie JA Moisan
Quebec
Market Share: 0.1%

Established in 1871, Quebec City-based Epicerie JA Moisan is reported to be the oldest continuously operating grocer in North America. The company sells local specialty foods and products from all across the world, in the setting of an old general store. Epicerie JA Moisan's expert staff is available to provide assistance with the company's more than 3,000 quality products, including cheeses, charcuterie, jams, wine, oils, chocolates and prepared meals. A portion of the store operates as a small bed and breakfast.

Source: Ibis World

POSITIONING

Having a clear market position

Consumers should be able to clearly identify and associate the brand with the product being sold.

Superior quality products and services

Fresh products from this industry must maintain a consistent level of quality.

Attractive product presentation

Given the diversified nature of products retailed by this industry, items should be displayed in an attractive and appealing manner.

Source: Ibis World

CONSUMPTION NETWORKS

Coffee and Snacks Shops in Canada

COVID-19 EFFECTS

- Prior to the economic upheaval caused by the pandemic, the industry was sustained by growth in the domestic economy.
- Nevertheless, the industry was challenged by the outbreak of the coronavirus, which caused an abrupt decline in demand for industry goods and services while some establishments were forced to close due to the aftereffects of social distancing and essential business restrictions.
- The Coffee and Snack Shops industry in Canada is forecast to be negatively affected by the onset of the COVID-19 (coronavirus) pandemic. Due to rising unemployment, there is an expected decline in demand for industry goods as many consumers forgo many of their discretionary spending and spend more time at home.
- The industry revenue is expected to decline 5.9% in 2020 alone. While this decline did cause a decrease in profit, overall revenue growth for the period is not expected to be eradicated.
- Coffee and snack shops can provide coffee and other products to consumers that take them to go. Although some establishments have chosen to temporarily close, the establishments that remain open are able to provide some service to consumers. This could mitigate some of the loss operators will experience.
- The sharp decline in demand is expected to cause several operators to lay off staff.
- Over the five years to 2025, operators will continue to offer more non-traditional, high-margin menu items such as iced coffee drinks, breakfast items and wraps.
- At the same time, modest growth in the overall economy, coupled with tepid consumer confidence and the economy's reliance on volatile commodity markets, is expected to limit discretionary spending in the coming years. Nevertheless, industry revenue is forecast to grow at an annualized rate of 2.0% to $5.1 billion over the five years to 2025.

Source: IbisWorld

SUMMARY OF THE ANALYSIS

Sustained Growth

- The Coffee and Snack Shops industry in Canada has grown over the five years to 2020, driven by the expansion of major coffee retailers, such as Starbucks Corporation (Starbucks) and by growth in the domestic economy.

Convenience

- Busier lifestyles, which have left less time for preparing meals or beverages at home, have also helped the industry, especially as coffee and snack shops have placed a greater emphasis on convenience.

Limited spending

- The industry was challenged by the outbreak of the coronavirus. Modest growth in the overall economy, coupled with tepid consumer confidence and the economy's reliance on volatile commodity markets, is expected to limit discretionary spending in the coming years.

Positive forecast

- Nevertheless, as a result of positive trends prior to 2020, industry revenue is forecast to grow at an annualized rate of 2.0% to $5.1 billion over the five years to 2025.

Source: IbisWorld

INDUSTRY AT A GLANCE

For the Coffee and Snack shop industry, it includes Breverages, Food and Others.

This one grew by 0,8% between 2015 and 2020 generating a total revenue of $4,6 billion (USD) in 2020. A growth of 2% in revenue is expected over the next five years.

REVENUE : $4.6 billion (USD)
Annual growth 2015-2020 : 0.8%
Annual growth 2020-2025 : 2.0%

PROFIT : $207.8 Million (USD)
Annual growth 2015-2020 : 0.0%

BUSINESSES : 6,154 companies

Annual growth 2015-2020 : 1.3%
Annual growth 2020-2025 : 2.0%

EMPLOYMENT : 65,077 employees
Annual growth 2015-2020 : 2.1%
Annual growth 2020-2025 : 2.1%

Source: IbisWorld

KEY TRENDS OF THE INDUSTRY

Dominance	• The sale of coffee beverages is unique in Canada due to the dominance of one chain.
Competition	• Many small-scale operators are expected to compete with major chains
Hurdles	• Operators will likely experience hurdles with regard to retaining consumer loyalty
Stagnation	• Industry profit is expected to stagnate over the next five years
Fast-food competition	• Coffee and snack shop operators have been forced to contend with increased competition from fast food restaurants.

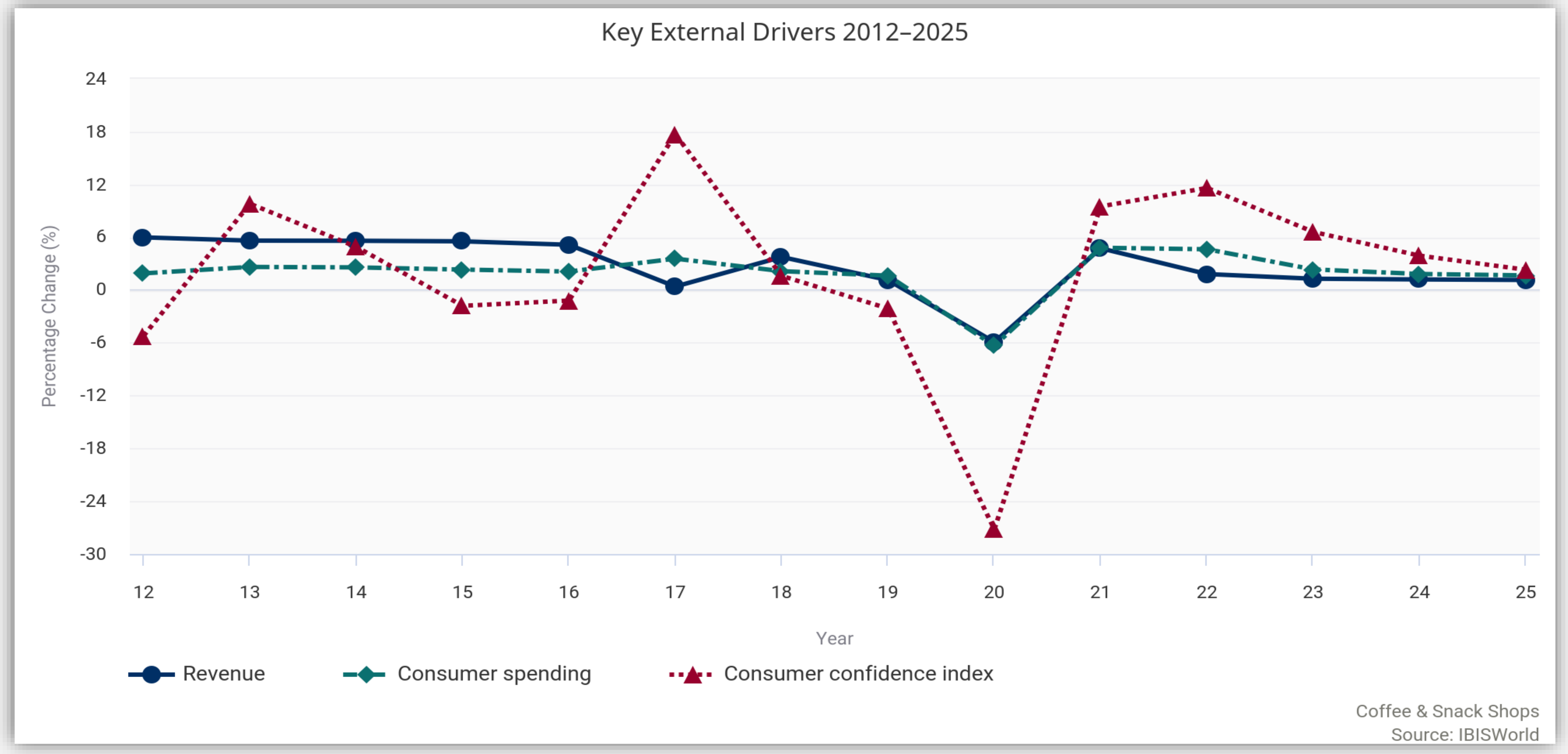
Source: IbisWorld

KEY EXTERNAL DRIVERS

Key external factors, which are not controlled internally but by an external factor, can affect the performance of an industry and therefore its revenue.

- **Consumer spending**: Food service establishments are sensitive to changes in consumer spending due to the discretionary nature of the industry's products. When personal consumption expenditure is high, consumers will be more likely to spend money on eating out. Consumer spending is expected to decrease in 2020.

- **Consumer confidence index:** Strong growth in the broader Canadian economy and high levels of consumer confidence can generate significant revenue for industry operators, as consumers are generally more willing to spend on discretionary products and services, such as coffee, pastries and other industry products, when they feel confident about their personal finances and the condition of the overall economy. The Consumer Confidence Index is expected to steeply decline in 2020, posing a potential threat to the industry.



Source: IbisWorld

KEY EXTERNAL DRIVERS

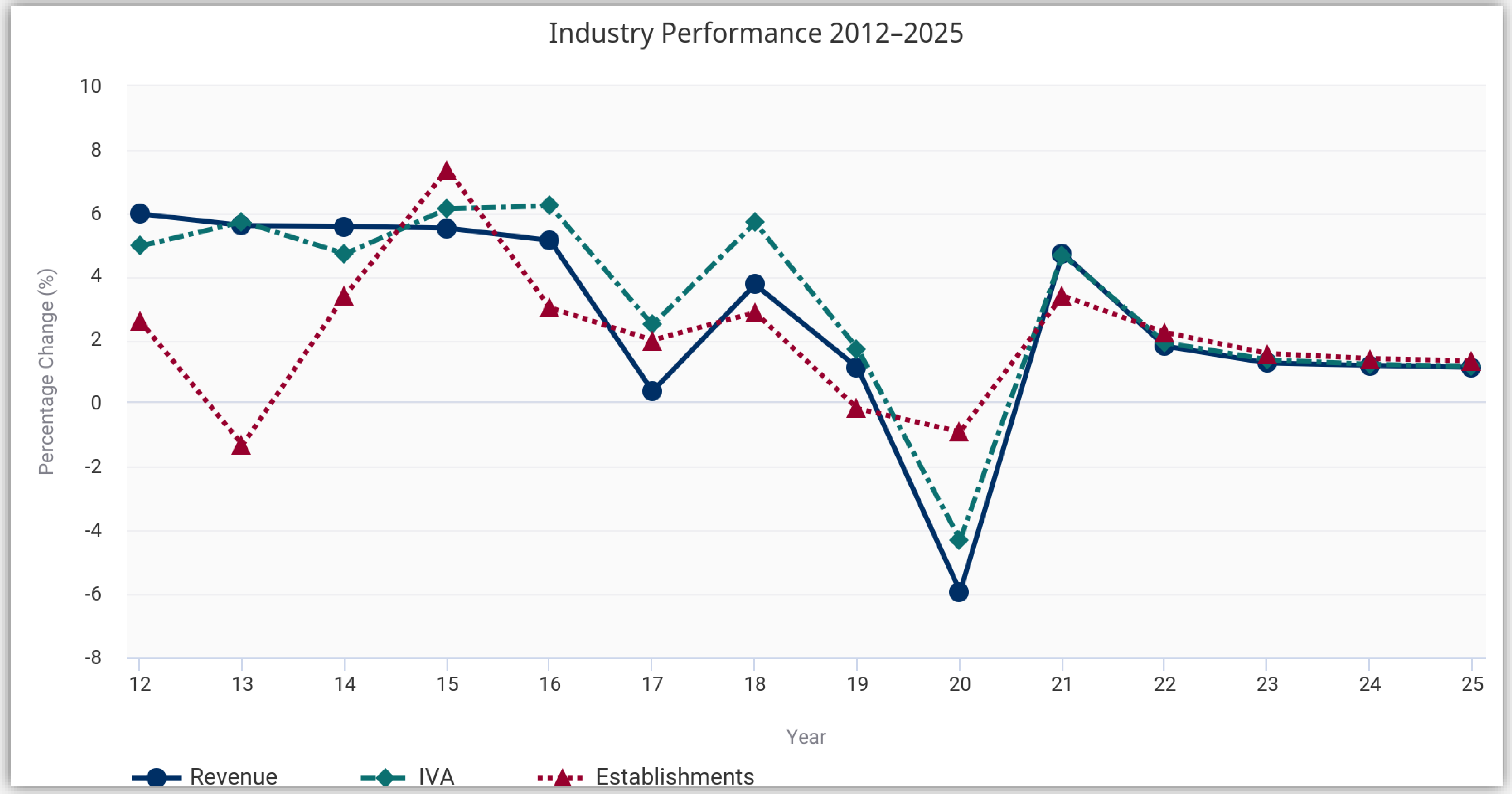
- **World price of coffee**: Coffee beans are a major input for coffee shops, and rising input costs can often force industry operators to raise their prices to remain profitable. However, significant price-based competition can limit the ability of operators to increase their prices, causing operators' profit to contract. The world price of coffee is expected to decrease in 2020, representing a potential opportunity for the industry.

- **Adult obesity rate**: According to 2020 data from the Organisation for Economic Co-operation and Development (OECD), Canada has one of the world's highest obesity rates and the percentage of the adult population that is obese or overweight is expected to continue to increase in 2020, as consumers' diets continue to get progressively less nutritious. Still, consumers are becoming increasingly aware of issues related to weight and obesity, fatty food intake and food safety issues. This factor particularly affects operators that have a large proportion of fatty or unhealthy products.

Source: IbisWorld

INDUSTRY CURRENT PERFORMANCE

Industry revenue is estimated to have growth at an annualized rate of 0.8% to 4.6 billion USD between 2016 and 2020.



Source: IbisWorld

INDUSTRY PERFORMANCE

LARGE-SCALE COFFEE CHAINS

The sale of coffee beverages is unique in Canada due to the dominance of one single chain, Tim Hortons Inc.
Tim Hortons plays a substantial role in the industry's operations. However, the chain has experienced a slowdown compared with the 1990s and early 2000s, as the domestic market has become saturated with coffee shops and other food service companies serving coffee.

Meanwhile, Starbucks Corporation (Starbucks) controls a significant share of the industry's total market, and the company has been one of the industry's fastest growing chains in terms of new stores over the past five years. However, the US-based chain growth has been restricted to some degree by the loyalty of many Canadians to Tim Hortons.

EXPEDITED SERVICE

To cater to increased consumer demand for quick service, several of the industry's larger operators have introduced initiatives to expedite customer service, including the introduction of double lanes at many drive-thru locations, as well as express beverage lanes inside restaurants and more mobile payment capabilities.

Source: IbisWorld

INDUSTRY PERFORMANCE

THIRD WAVE COFFEE AND POTENTIAL HURDLES

Over the past five years, one of the fastest growing segments of the industry has been independent coffee shops targeting coffee connoisseurs with high-quality espresso, as well as siphoned and filtered coffee beverages. This trend, which has been termed third wave or specialty coffee, considers coffee an artisanal product, rather than a commodity, where the origin of the coffee bean is important, much similar to wine.

Specialty coffee remains small compared with the whole industry, partly due to the higher price point that third wave coffee commands. However, the segment has grown quickly over the past five years and has had a large influence on major coffee chains. These trends have helped many independent operators establish themselves over the five years to 2020, causing the number of industry enterprises to increase at an annualized rate of 1.3% to 6,154 companies.

With increased competition and an increasingly saturated market, industry operators are expected to experience many hurdles with regard to retaining consumer loyalty. Competing on price points and specialty offerings is expected to remain significant in light of expanding juggernauts and new entrants.

Slower spending habits among consumers are expected to further intensify competition among industry operators in the short term.

WAGES AND PROFIT

The average industry profit margin has declined over the past five years, as mounting internal competition has limited revenue opportunities for many small-scale operators.

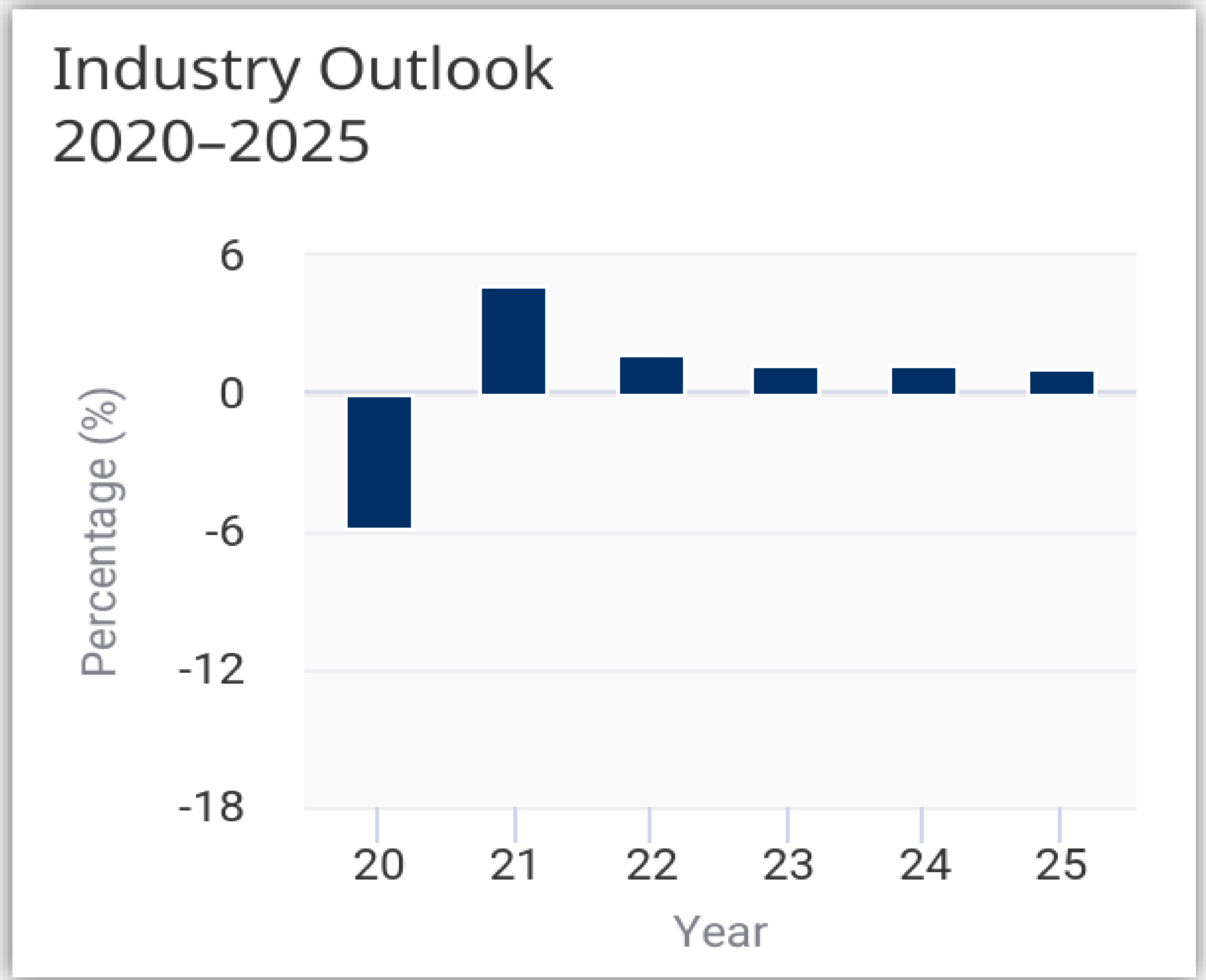
Additionally, despite some consumer segments taking to higher-margin specialty coffee, the majority of customers have retained a preference for lower-priced items, which has restricted the ability of operators to raise their prices.

Source: IbisWorld

INDUSTRY OUTLOOK

The Coffee and Snack Shops industry in Canada is expected to continue growing over the five years to 2025. Overall, industry revenue is forecast to increase at an annualized rate of 2.0% to $5.1 billion over the five years to 2025.

- The macroeconomic fundamentals that drive the industry’s growth are all expected to perform well.
- However, recent and persistent economic stagnation in the Canadian economy could potentially affect consumer confidence and reduce overall spending.
- While the industry is expected to grow due to improving economic conditions, its rebound is likely to be tempered by Canadians safeguarding their wallets during this uneasy economic time.
- Per capita disposable income is projected to rise at an annualized rate of 0.9% over the next five years, which will likely encourage many consumers to purchase food and beverages from industry shops more often.
- There are opportunities for growth in some segments, especially those providing healthy menus and gourmet products that cannot be recreated at home as easily.



Source: IbisWorld

INDUSTRY OUTLOOK

PROFITABILITY

Industry profit is expected to stagnate over the next five years.

Low consumer confidence and some economic uncertainly will lead to many consumers making coffee at home as opposed to buying it.

Many independent operators will be constrained in their ability to raise prices due to intense competition across the industry.

Profit, measured as earnings before interest and taxes, is expected to account for 4.5% of industry revenue in 2025.

INTENSIFIED COMPETITION

Fierce competition is expected between the major chains and independent establishments over the next five years.

White-collar workers, especially those in high-income, inner-city locations, are the most likely to gravitate to independent coffee shops serving more expensive specialty coffee. These high-income urbanites will be the major driver of the third wave trend that has taken the global coffee industry by storm over the past five years.

Overall, the number of industry establishments is expected to rise at an annualized rate of 2.0% to 9,023 locations over the five years to 2025.

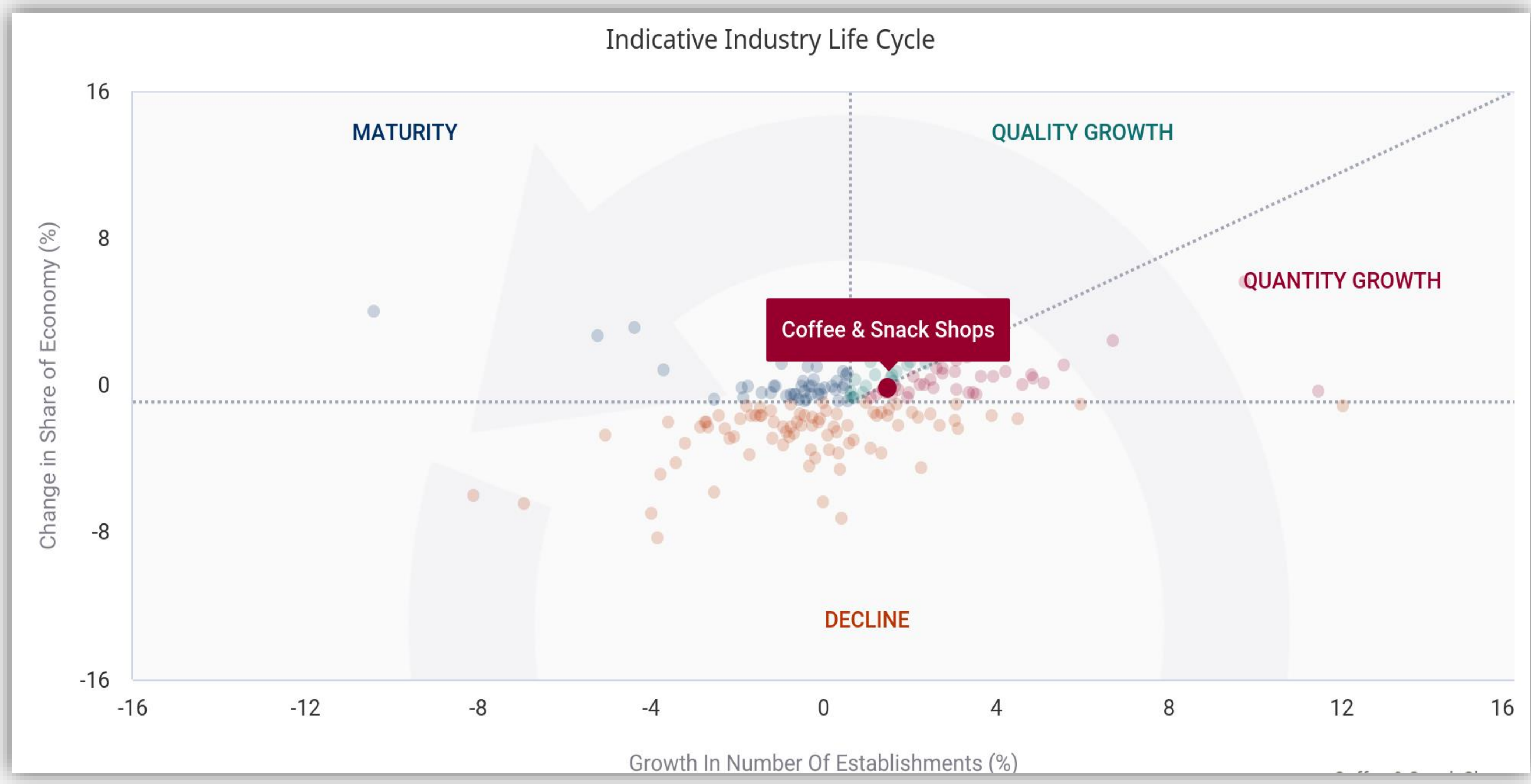
Source: IbisWorld

INDUSTRY LIFE CYCLE

The Coffee and Snack Shops industry in Canada is currently in the mature phase of its life cycle.

- Industry revenue has grown consistently over the past decade and has outpaced the broader food service sector. Coffee has a very high penetration rate in Canada, which has remained consistent over the past decade as the penetration rate of some other beverage types, such as soda and juice, has fallen. However, the industry has become saturated in many regions as a greater amount of food service operators have begun offering coffee products to attract customers, which points to a mature industry.

- The industry value added (IVA), which measures an industry's contribution to the overall economy, is expected to grow at an annualized rate of 2.2% over the 10 years to 2025.

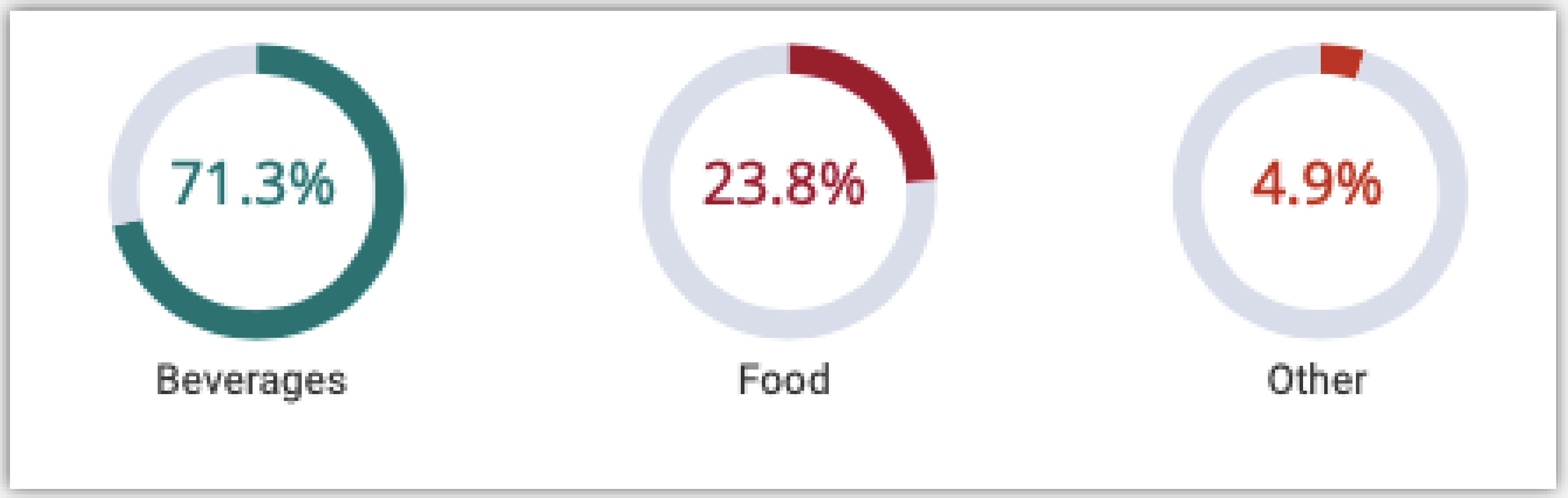


Source: IbisWorld

PRODUCTS AND SERVICES

The Coffee and Snack Shops industry in Canada is divided in three segments, which are Breverages, Food and Others.

- Beverages represent the primary source of revenue for operators in the Coffee and Snack Shops industry in Canada, with most coffee shops providing a variety of coffee beverages, smoothies, juices and other drinks.
- The food product segment includes snack items.
- The Other segment represents a wide range of retail items, such as packaged coffee, coffee pods, drinkware, equipment and other accessories.



Source: IbisWorld

DEMAND DETERMINANTS

Demand for the Coffee and Snack Shops industry in Canada is determined by a wide variety of factors, including household income, consumer confidence, attitudes to health and the propensity to eat out, rather than at home.

Income and expenditure

- The industry's performance is reliant on growing household income, high consumer confidence and robust economic growth.

Demographics

- The changing age structure of the population also influences industry demand.
- Two broad demographic trends have encouraged industry growth in the past decade. The baby-boomer generation has access to higher disposable incomes than previous generations, meaning they are more likely to spend on eating out. Young adults aged between 18 and 30 years old spend more of their food budget on eating out than any other age group.

Health consciousness

- Rising health consciousness has a direct effect on industry operators, as Canadian consumers have become increasingly concerned about fat content, fried foods and salt content, especially when dining out.

Source: IbisWorld

DEMAND DETERMINANTS

Convenience

- Convenience, value for money and time are also important demand determinants.
- Recent social trends such as busier lifestyles, heavier workloads and longer working hours, have helped boost demand for restaurant services and convenience food, as time-poor consumers look to cut down on cooking times and make better use of their spare time.

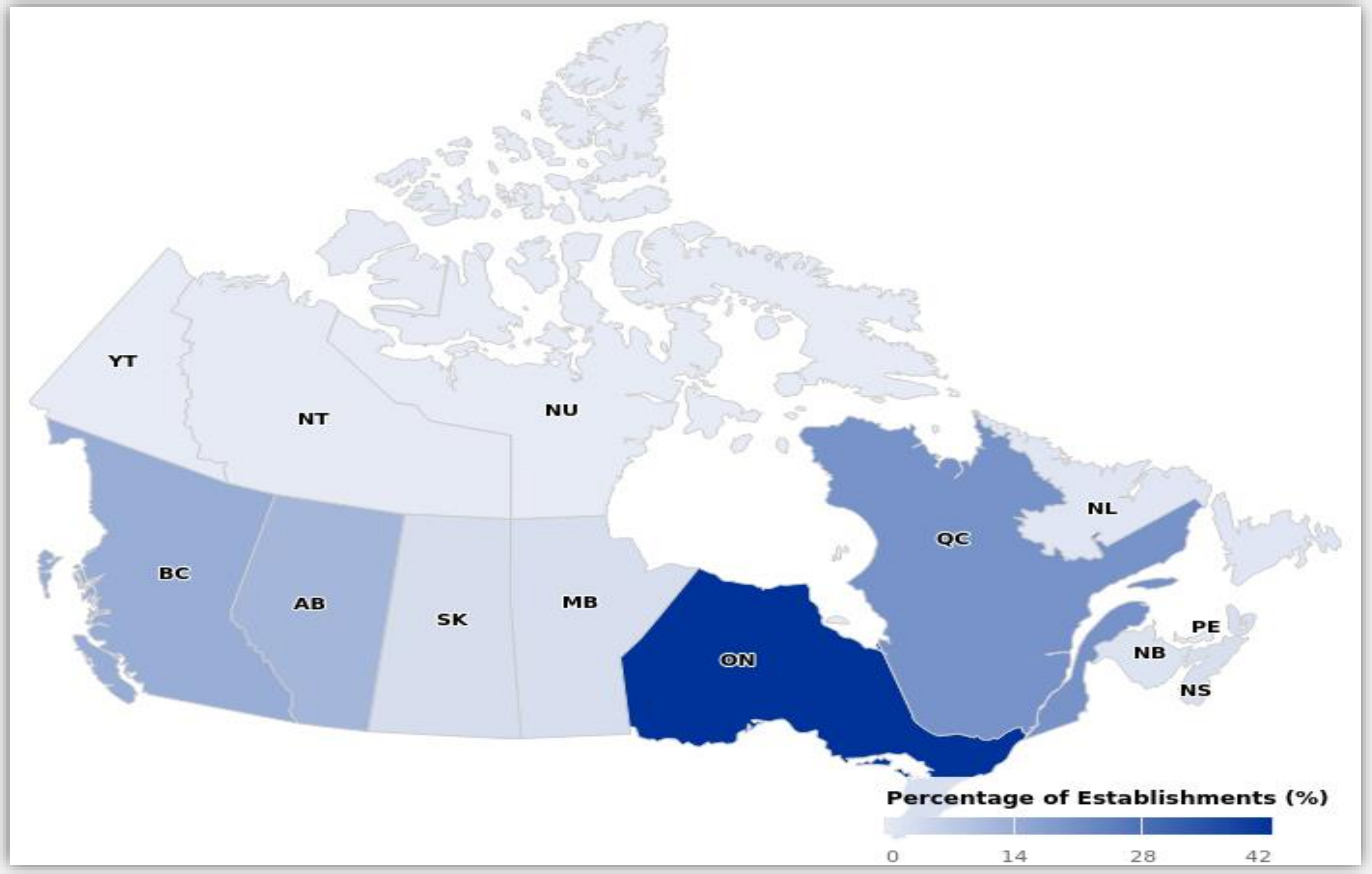
External factors

- Several external factors can severely affect demand for the industry either directly or indirectly.
- Such factors include public health crises, government regulation, geopolitical tensions and other macroeconomic factors.
- During the COVID-19 (coronavirus) pandemic, as health concerns increase, consumers have either been ordered or advised sheltering in place and stay at home, consuming all coffee and snacks at home as a result, and limiting demand for industry products and services.

Source: IbisWorld

BUSINESS CONCENTRATION

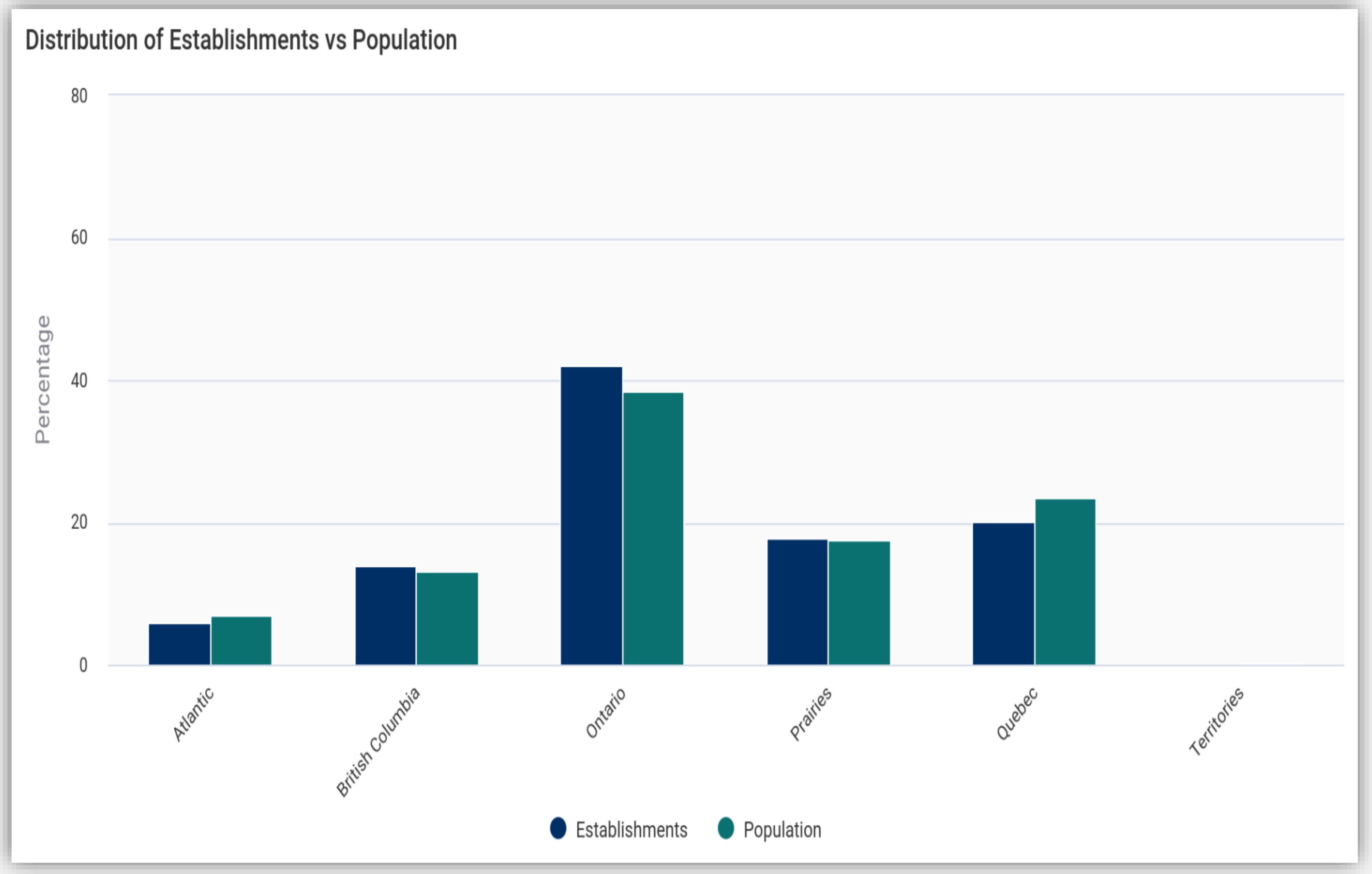
- Establishments in the Coffee and Snack Shops industry in Canada are typically dispersed in line with population and income distribution.
- Ontario represents the most popular destination for coffee shops in Canada, accounting for an estimated 42.0% of all industry establishments in 2020.
- Similarly, Quebec is the second-largest province in Canada, both in terms of industry establishments and total population. In 2020, this region is estimated to contain 20.1% of all coffee and snack shop establishments.



Source: IbisWorld

DISTRIBUTION OF THE NUMBER OF ESTABLISHMENTS VS. POPULATION

- Ontario represents 38.8% of the total Canadian population in 2020.
- Québec is the second largest province in Canada with an estimated 22.5% of the Canadian population.
- These provinces are home to the country's two largest metropolitan areas, Toronto and Montreal.
- Coffee and snack shops tend to be more common in large urban areas where household incomes are higher and people converge to do business.
- On the other hand, British Columbia accounts for 13.2% of the Canadian population.



Source: IbisWorld

BUSINESS LOCATIONS

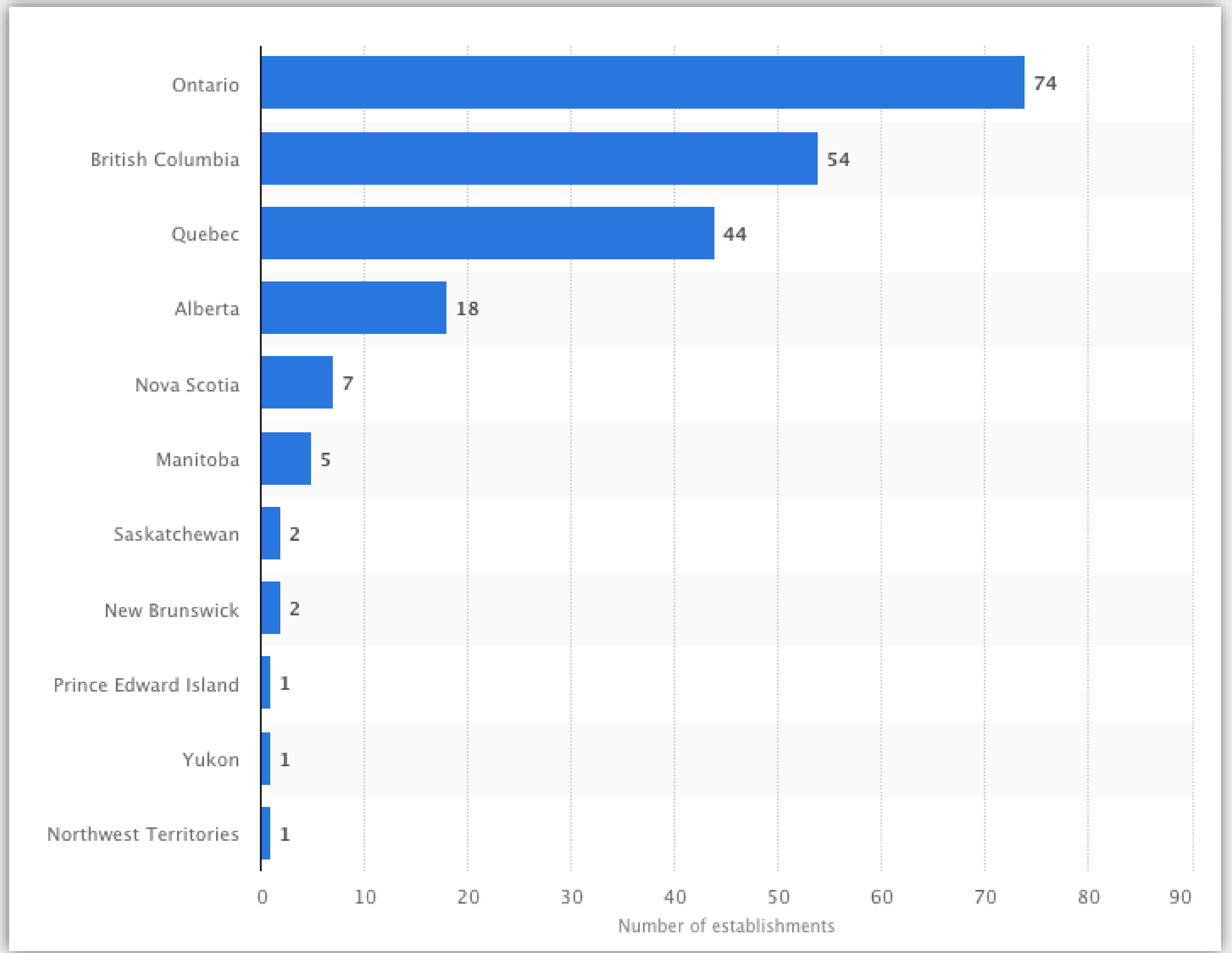
Establishments in the Coffee and Snack Shops industry in Canada are more concentrated in Ontario, Québec and British Columbia. As a service-based industry, it relies heavily on foot traffic and high levels of consumer spending to generate revenue.

Province	% of establishments
Northwest Territories	0,2 %
British Columbia	14,0 %
Alberta	12,1 %
Saskatchewan	3,0 %
Manitoba	2,7 %
Ontario	42,0 %
Québec	21,1 %
New Brunswick	1,9 %
Newfoundland	1,1 %
Prince Edward Island	0,4 %
Nova Scotia	2,5 %

Source: IbisWorld

BUSINESS CONCENTRATION

Number of coffee and tea manufacturing establishments in Canada by region 2020

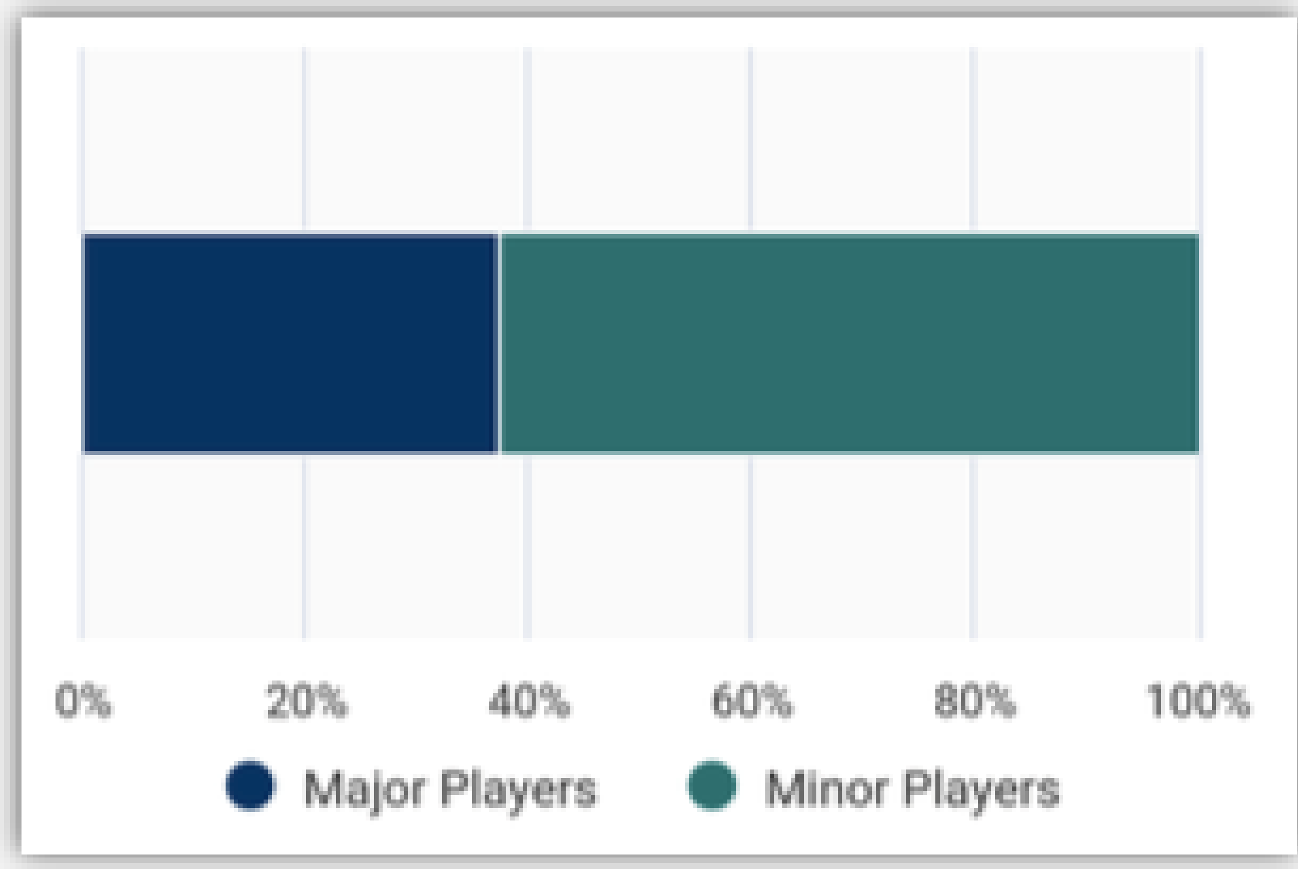


There were 74 coffee and tea manufacturing establishments in the province of Ontario as of June 2020.

Source: Statista

MARKET SHARE CONCENTRATION

The concentration in this industry is moderate



The major players in the industry are expected to account for less than 45,0% of the industry’s total revenues in 2020.

While there are a substantial number of independently owned coffee and snack shops in Canada, the industry is now dominated by chains, such as Starbucks Corporation (Starbucks), which prevents many of these small-scale businesses from expanding their operations to new regions or product segments.

These relatively small companies also experience substantial competition from large-scale restaurant chains, such as McDonald's Corporation and Tim Hortons Inc., which are generally able to offer lower prices and more options than the traditional coffee shop. Industry market share concentration has increased over the five years to 2020, largely due to the rapid expansion of these major chains, with some of these companies approaching saturation in the Canadian market.

Source: IbisWorld

MAJOR COMPANIES

STARBUCKS

Market Share : 37,4 %

In Canada, the company operates an estimated 1,600 locations, including more than 89 locations opened in 2019 alone. The company experienced its only decrease in location growth in 2015, when Target Corporation's (Target) exit from Canada resulted in the closing of several Starbucks stores located within Target locations. The Starbucks brand was built on coffee, and the company still offers a broad range of regular and decaffeinated coffee beverages, along with espresso drinks. The company has also expanded into a variety of product lines and now serves a large assortment of food items, fresh juice and packaged goods.

Financial performance :

Over the five years to 2020, Starbucks's Canadian industry-relevant revenue is estimated to grow at an annualized rate of 6.1%, reaching an estimated $1.7 billion USD. However, much of this growth can be attributed to the steady decline of the Canadian dollar and the relative strength of the US dollar, which is the currency used by Starbucks to convey its financial performance. Starbucks to benefit from relatively strong profit, measured as earnings before interest and taxes, with the company's industry-relevant operating income projected to grow at an annualized growth of 4.2% to 296.5 million USD over the five years to 2020.

Source: IbisWorld

MAJOR COMPANIES

COUNTRY STYLE FOOD SERVICES INC.

Market share : 3,9 %

Country Style is a fast-casual chain of coffee shops that operates primarily in Ontario. The chain has a mix of traditional locations and nontraditional locations that are embedded in other establishments such as gas stations, convenience stores and movie theatres.

Financial performance

Overall, the company is expected to generate industry-relevant revenue of 178.0 million USD in 2020.

Source: IbisWorld

MAJOR COMPANIES

SECOND CUP

Market Share : 2,8 %

The Second Cup Ltd. (Second Cup) is a specialty coffee cafe operator and franchise that has close to 250 cafes operating under its brand in Canada. The chain was established in 1975 in Toronto and has since grown to be one of Canada's largest locally owned food and beverage chains. Second Cup operates a similar model to Starbucks Corporation (Starbucks), serving a menu of coffee and espresso drinks, as well as smoothies, fresh juices, baked goods, premade sandwiches and salads. The company places a high priority on serving organic or fair-trade coffee, emphasizing this as a point of differentiation over Tim Hortons Inc.

Financial Performance

Second Cup's system sales have declined over the past five years as the company has underperformed in the industry. The chain has been negatively affected by the recent aggressive expansion by Starbucks into Canada. System sales, and the company's industry-relevant sales, are estimated to decline at an annualized rate of 5.6% to 131.1 million USD over the five years to 2020. During the same period, the number of Second Cup cafes has decreased by an estimated 85 locations, which significantly reduces the company's market presence when compared with major rivals Starbucks and Tim Hortons.

Source: IbisWorld

MAJOR COMPANIES

TIM HORTONS

Market share: N/A

The Canada-based fast-casual restaurant was founded in 1964 in Hamilton, ON, and has grown to be the largest food service operator in Canada after surpassing McDonald's Corporation in the early 2000s.

Financial Performance

In 2019, Tim Hortons generated revenue of approximately 3.34 billion USD, up from 3.29 billion USD the previous year.

Source: IbisWorld & Statista

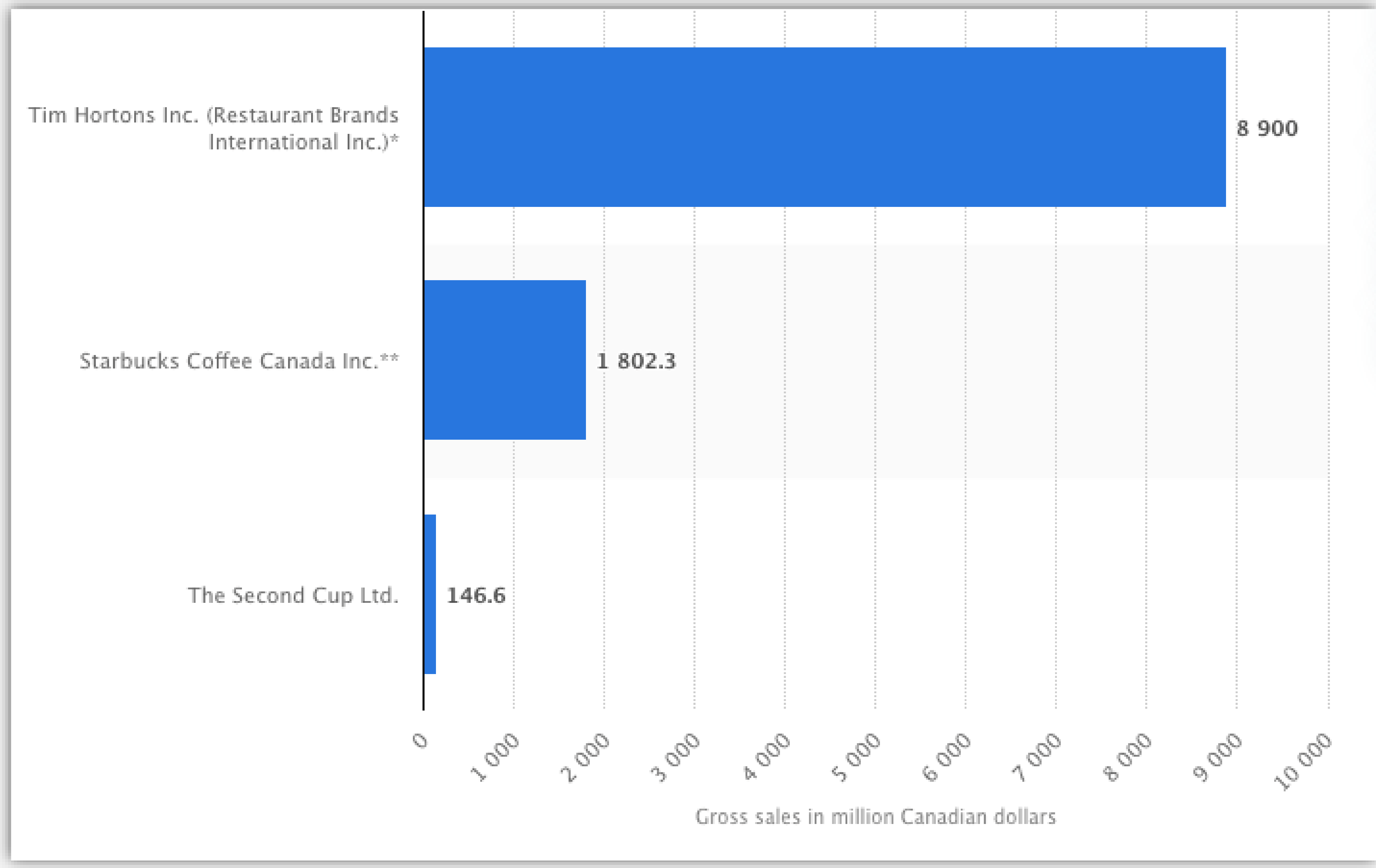
Major Coffee Chains

Market share

- When including Tim Hortons in the value, this company is by far the leading coffee chain in Canada.

- Among the leading coffee chains in Canada, Tim Hortons, Starbucks and Second Cup generated about 10 billion CAD in gross sales in 2018, combined.

Coffee chains in Canada by gross sales 2018 (in million CAD)

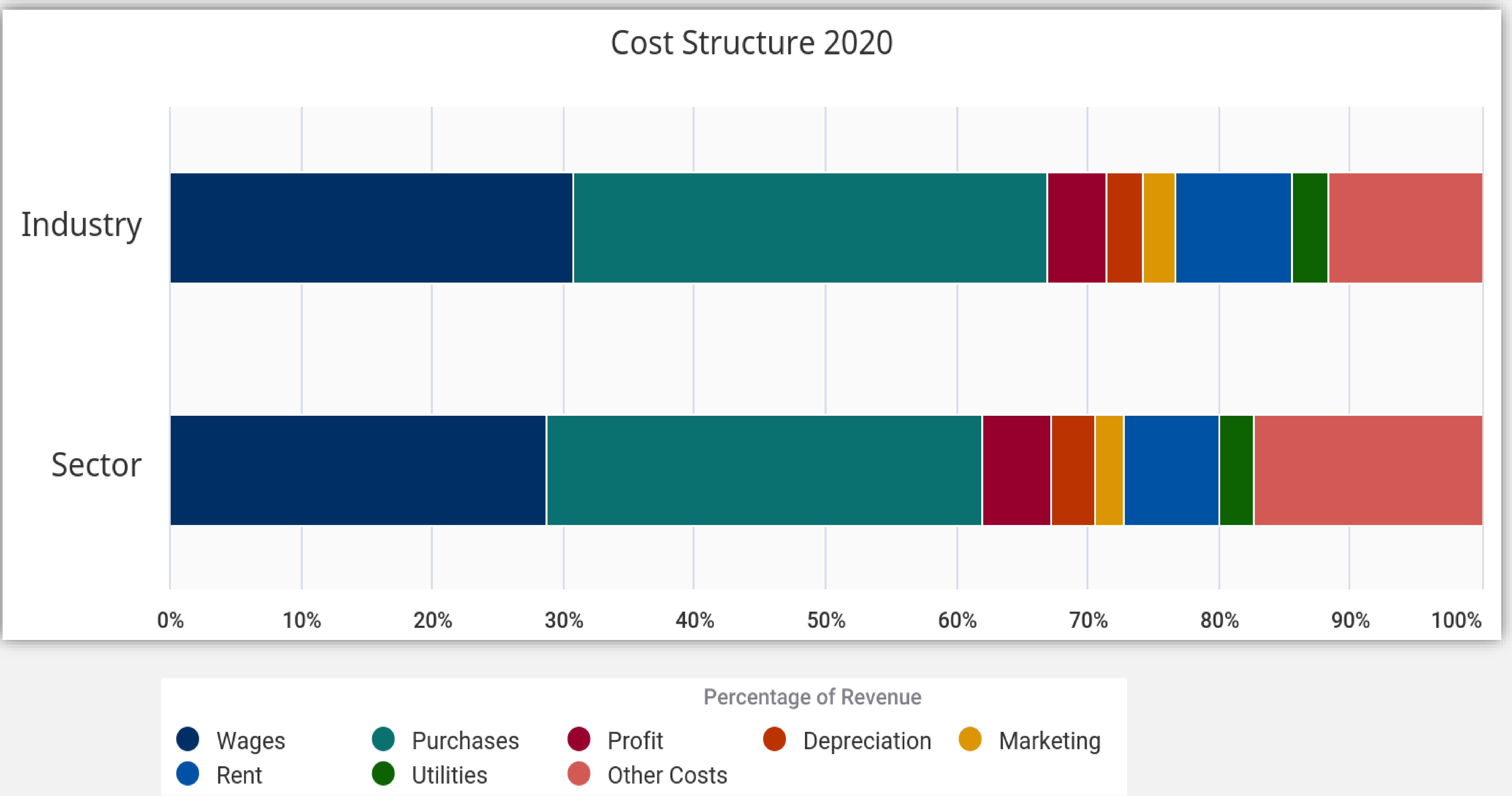


Source: Statista

COST STRUCTURE BENCHMARKS

The most important costs for this industry are:

- **Effective cost controls:** Cost controls with minimal waste are important in this low-margin industry, particularly related to food inputs.
- **Ability to franchise operations:** Franchising is now a significant component of this industry, and it can provide significant support to owners.
- **Access to multiskilled and flexible workforce:** Businesses need to have access to a good supply of skilled, seasonal workers to meet peak demand periods.
- **Product is sold at high-profile outlets:** It is important to have high-profile locations for stores, with easy access, parking and drive-through services for customer convenience and service.
- **Adaptability of operations to comply with social distancing protocols:** During the COVID-19 (coronavirus) pandemic, it is important that shops are able to alter operations to include delivery, curbside pick-up and ordering online.
- **Specialization in a product/service that is considered essential by legislators:** Operators are considered essential in many provinces because they provide food.



Source: IbisWorld

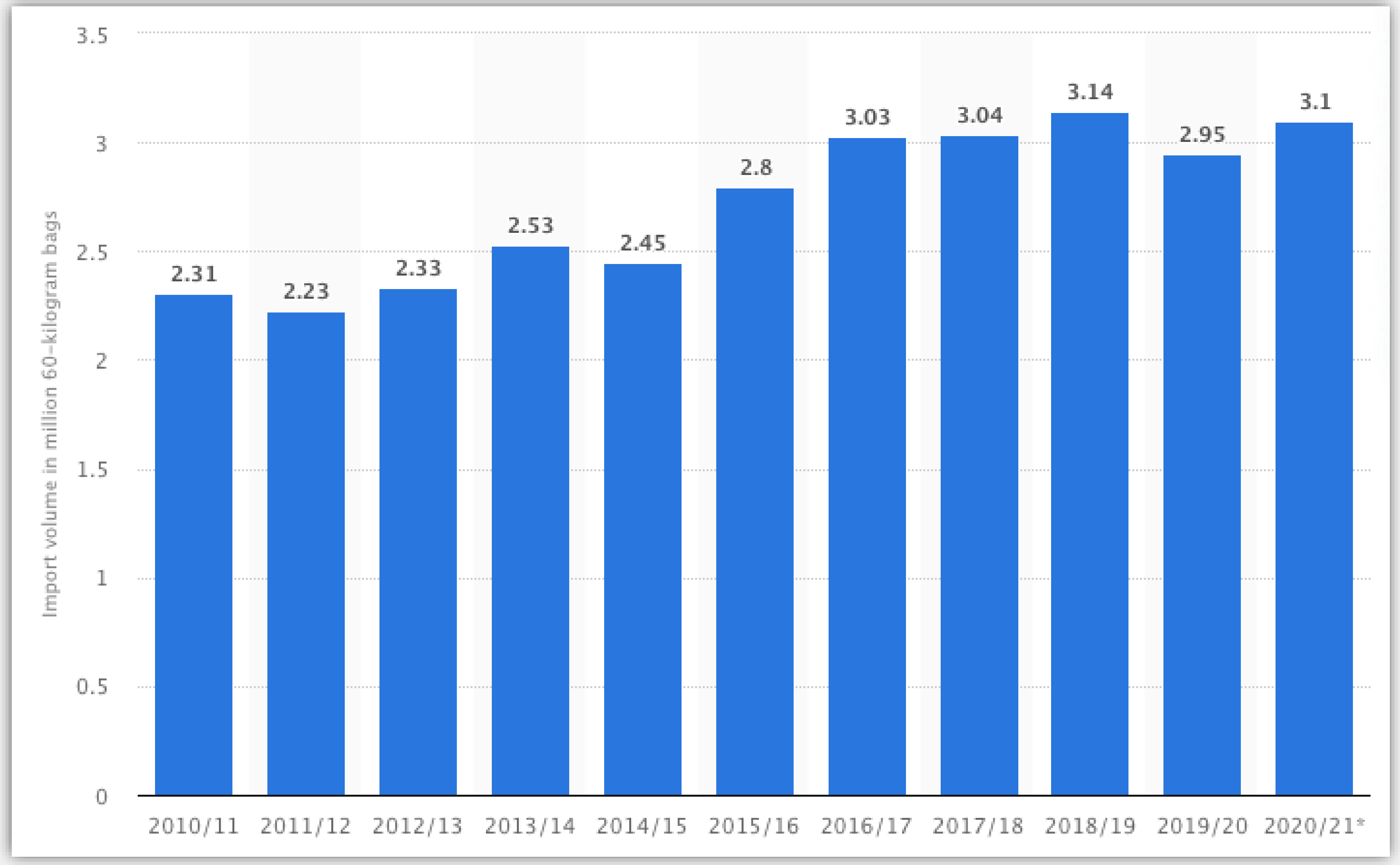
TRADE/COMMERCIAL EXCHANGES

INTERNATIONAL TRADE

By volume

- In the marketing year of 2019/20, imports of coffee beans amounted to approximately 2.95 million in 60 kg bags in Canada.
- For the coffee beans exports (**HS Code:** 0901), in 2020, Portugal was ranked 27th with the share in export of 0.48 % and was ranked 14th with the share in import of 1.25%.

Volume of coffee beans imports to Canada from 2010/2011 to 2020/2021 (in million 60 kg bags)



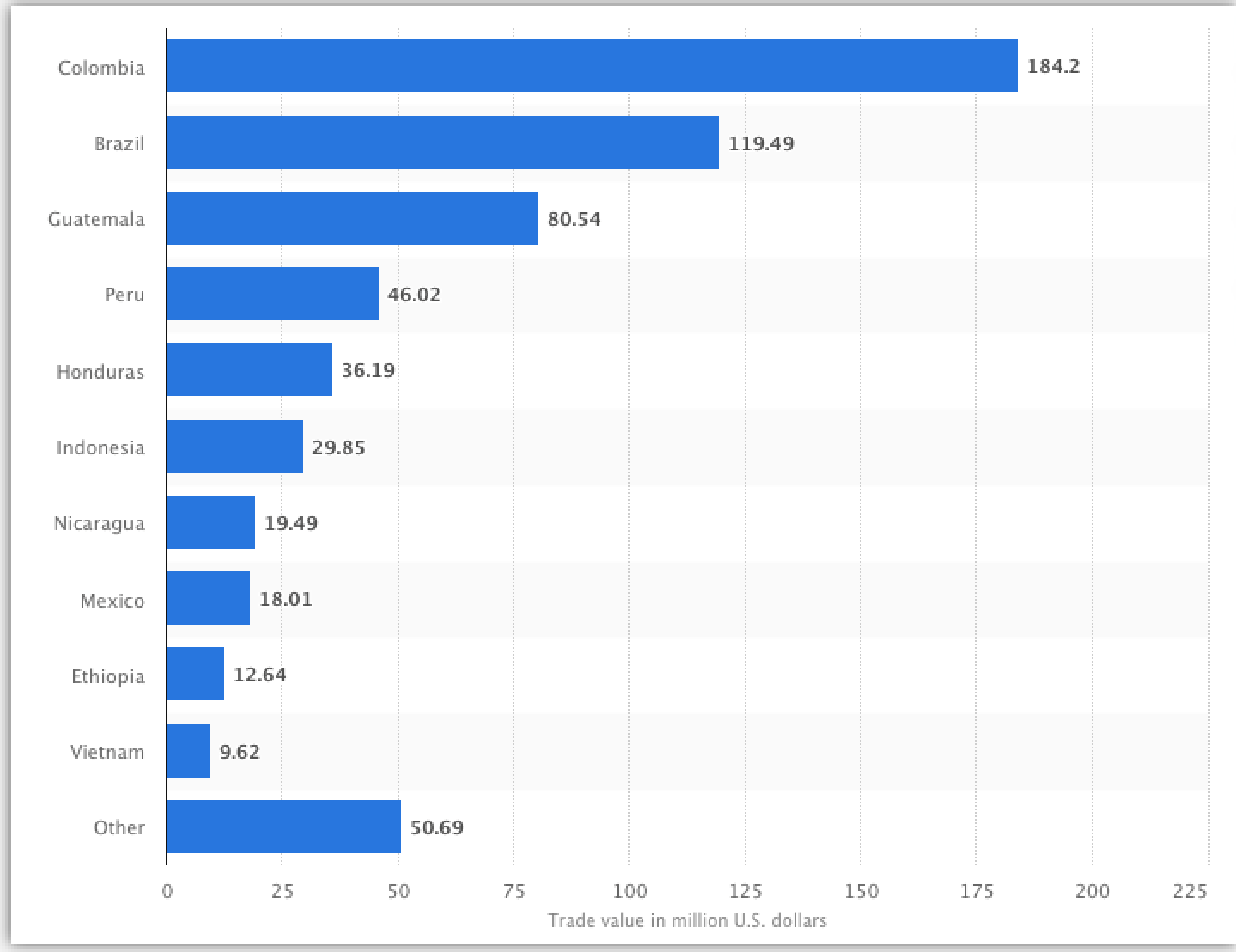
Source: Statista & Tridge

INTERNATIONAL TRADE

By country

- Colombia was the leading exporter of coffee to Canada in 2019. The trade value of coffee imported to Canada from Colombia amounted to around 184 million USD in that year.
- Brazil was the second-biggest exporter with a trade value of around 119 million USD.
- Canadian consumers’ love of the caffeinated hot beverage creates the need for continuous coffee imports into Canada.

Value of coffee imports to Canada by country 2019 (in million USD)



Source: Statista

COMMERCIAL EXCHANGES

For HS code 090111 coffee (excluding roasted and decaffeinated), the largest exporters to Canada as of 2020 are the following :

- Colombia is the biggest exporter of coffee to Canada in terms of value, followed by Brazil.

Rank	Exporters	Imported value in 2016	Imported value in 2017	Imported value in 2018	Imported value in 2019	Imported value in 2020
	World	562871	626489	528605	541987	531191
1	**Colombia**	**157576**	**201596**	**167443**	**164545**	**178535**
2	**Brazil**	**118977**	**127006**	**112288**	**106736**	**92365**
3	Guatemala	88458	84901	68000	71946	66861
4	Peru	36376	41243	42205	41201	42473
5	Honduras	26275	36875	26579	32326	38422
6	Indonesia	28635	30039	22709	26667	21444
7	Nicaragua	31185	22444	15156	17318	20184
8	Mexico	12574	16561	14019	16086	15937
9	Ethiopia	13689	11593	11517	11288	10899
10	Viet Nam	11492	11484	7948	8596	8341

In thousands EUR

Source : Trademap

COMMERCIAL EXCHANGES

For HS code 090112 decaffeinated (excluding roasted), the largest exporters to Canada as of 2020 are the following:

- Mexico is the biggest exporter of decaffeinated coffee to Canada in terms of value, followed by Germany.

Rank	Exporters	Imported value in 2016	Imported value in 2017	Imported value in 2018	Imported value in 2019	Imported value in 2020
	World	10529	10744	11700	10423	8604
1	**Mexico**	**2488**	**1898**	**2115**	**2370**	**2281**
2	**Germany**	**4604**	**5052**	**5263**	**4502**	**1507**
3	Colombia	1185	1453	1816	1022	1392
4	Viet Nam	264	197	323	402	985
5	Brazil	115	191	205	373	961
6	Peru	476	677	704	439	423
7	Indonesia	205	344	301	146	273
8	Italy	68	129	113	122	216
9	Guatemala	147	188	113	63	148
10	United States of America	246	189	141	196	111

In thousands EUR

Source : Trademap

COMMERCIAL EXCHANGES

For HS code 090121 roasted (excluding decaffeinated) the largest exporters to Canada as of 2020 are the following:

- The USA is the biggest exporter of roasted coffee to Canada in terms of value, followed by Switzerland.
- Portugal is Canada's 9th largest exporters with a value of 1,36 million euro, which account for less than 1 % of total Canadian roasted coffee imports.

Rank	Exporters	Imported value in 2016	Imported value in 2017	Imported value in 2018	Imported value in 2019	Imported value in 2020
	World	479629	478302	449288	481219	486836
1	**United States of America**	**403209**	**358635**	**330327**	**310944**	**283498**
2	**Switzerland**	**22541**	**45309**	**44302**	**71119**	**115074**
3	Italy	30527	34723	35955	39772	44688
4	Germany	2927	16656	15869	13570	12311
5	Brazil	1214	1284	2021	11542	7443
6	Guatemala	373	597	373	967	3166
7	Colombia	2032	1992	1936	3243	2925
8	Canada	411	715	1290	1546	2444
9	Portugal	1512	2055	2249	2104	1365
10	Mexico	992	1861	1215	1094	1312

In thousands EUR

Source : Trademap

COMMERCIAL EXCHANGES

For HS code 090122 roasted decaffeinated coffee, the largest exporters to Canada as of 2020 are the following:

Rank	Exporters	Imported value in 2016	Imported value in 2017	Imported value in 2018	Imported value in 2019	Imported value in 2020
	World	23650	25768	31306	33888	28872
1	**United States of America**	**18584**	**17939**	**24336**	**25019**	**17320**
2	**Switzerland**	**2355**	**4603**	**4090**	**5832**	**7948**
3	Italy	1229	1360	1450	1664	1511
4	Canada	43	16	11	70	759
5	Germany	529	931	788	660	584
6	Brazil	153	71	32	54	205
7	Viet Nam	54	320	163	0	170
8	Peru	56	34	52	46	60
9	Israel	71	52	45	132	46
10	Greece	3	4	3	4	44

In thousands EUR

- The USA is the biggest exporter of roasted decaffeinated coffee to Canada in terms of value, followed by Switzerland.

Source : Trademap

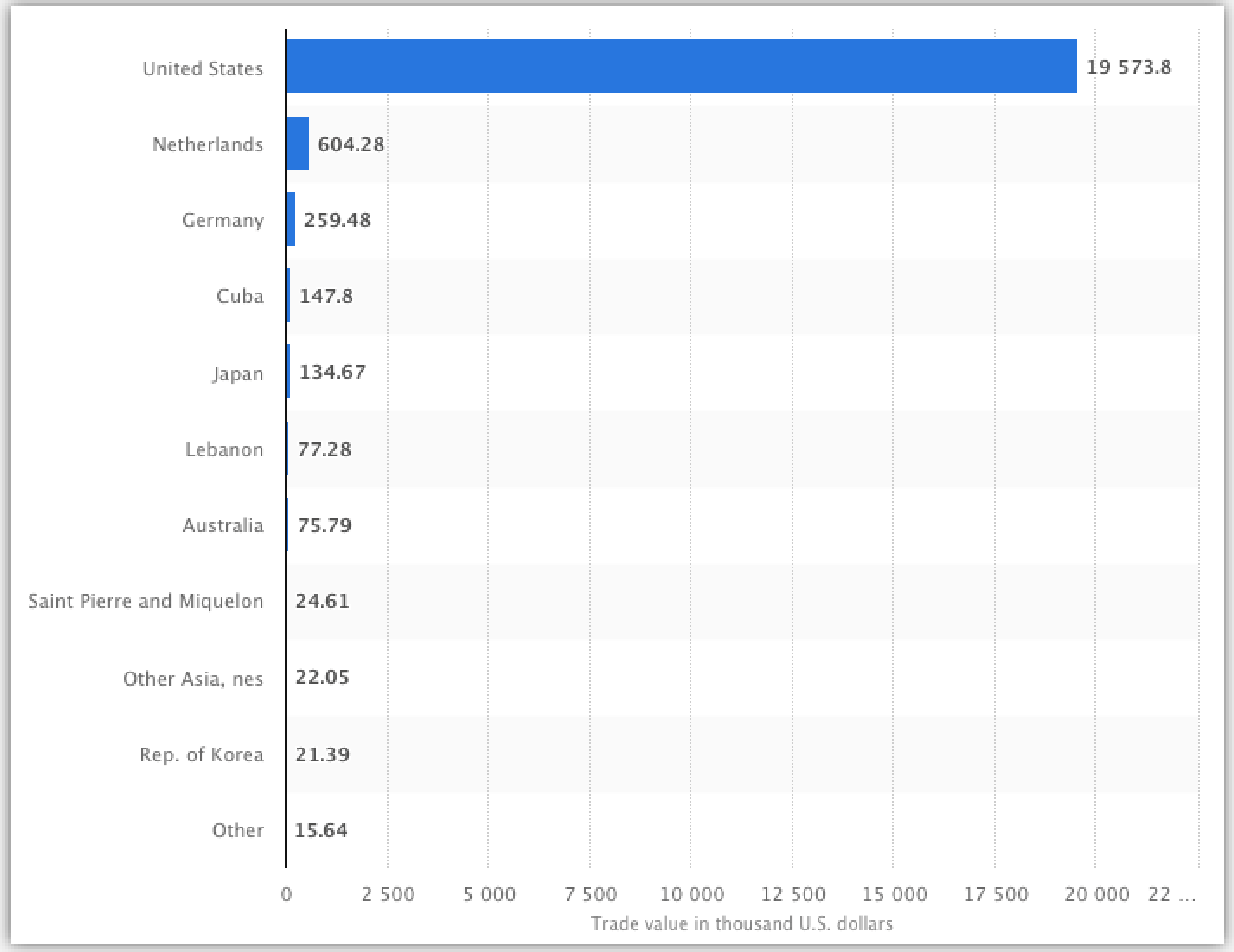
COFFEE EXPORTS FROM CANADA

The trade value of not roasted, not decaffeinated coffee exported from Canada

- The trade value of coffee exported from Canada to the United States amounted to approximately 19.57 million U.S. dollars in 2019.

- Canada continues to be the number one source of value-added coffee products imported into the United States.

Value of coffee exports from Canada by destination (in 1,000 USD)



Source : Statista & Coffee Association of Canada

COFFEE IMPORTS FROM PORTUGAL

- Canada's imports from Portugal of roasted coffee (excluding decaffeinated) in 2020 reached 2.1 million CAD, accounting for 0.28% of the total imports of roasted coffee into Canada in the same year.

- In 2018, the total amount imported from Portugal in this category reached 0.5% of the total imports of roasted coffee into Canada.

- In 2020, the total value of imported roasted decaffeinated coffee from Portugal was $65 000 CAD.

- In 2020, for coffee and decaffeinated (excluding roasted), the total imported value from Portugal was minimal, whereas it reached 20 970 CAD in 2016.

Value of coffee imports to Canada from Portugal by type 2018-2020 (in CAD)

PRODUCT CODE	PRODUCT LABEL	Value in 2016	Value in 2017	Value in 2018	Value in 2019	Value in 2020
90121	Roasted coffee (excluding decaffeinated)	2,215,797	3,009,764	3,440,741	3,124,614	2,103,837
90122	Roasted, decaffeinated coffee	77,117	84,973	83,674	56,314	65,051
90111	Coffee (excluding roasted and decaffeinated)	--	--	--	--	16
90112	Decaffeinated coffee (excluding roasted)	20,970	4,447	584	5,063	631

Source : Statistics Canada

CUSTOMS TARIFFS/DUTIES

- Unlike many other raw food items, importing coffee to Canada does not oblige you to have any permit or license, although the beans may have to be approved by the Canadian Food Inspection Agency (CFIA).
- Thanks to The Comprehensive Economic and Trade Agreement (CETA), there are no tariffs on imports of coffee products (090111, 090112, 090121, 090122) into Canada for Portuguese companies. The MFN tariff rates of Canada apply to goods imported to Canada that do not meet the rules of origin (non-originating goods) under CETA.
- Importing coffee into Canada, as it happens with most raw food and beverages, coffee is under **Canada's Excise Tax Act**, which means that it is exempt of duty and of GST (Goods and Services Tax).
- Imported coffee must comply with both the Food and Drugs Act and Regulations and the Consumer Packaging and Labelling Act and Regulations.
- Canada does not have any import duties on green coffee imports. Canada also does not impose import duties on processed coffee (roasted, soluble).

Sources : Coffee Association of Canada,
Canada Tariff Finder, Clear it and ICT

REGULATIONS AND POLICIES

How to import coffee into Canada?

- Imported coffee must comply with both the Food and Drugs Act and Regulations and the Consumer Packaging and Labelling Act and Regulations.
- Canada has many labelling requirements. You can visit the following website for core labelling requirements and industry labelling tools:
  - ✓ https://inspection.canada.ca/food-label-requirements/labelling/industry/eng/1383607266489/1383607344939#
- You can also directly contact the Canadian Food Inspection Agency (CFIA) who is responsible for the enforcement of these acts.
- Be aware of the new Safe Food for Canadian Regulations that came into effect January 15, 2019 to improve oversight of imported food products, including but possibly not limited to coffee, which would require importers to have a license:
- https://inspection.canada.ca/importing-food-plants-or-animals/food-imports/eng/1526656151226/1526656151476
- The Government of Canada has a wealth of information about importing available on its website : https://www.international.gc.ca/controls-controles/about-a_propos/impor/canada.aspx?lang=eng .

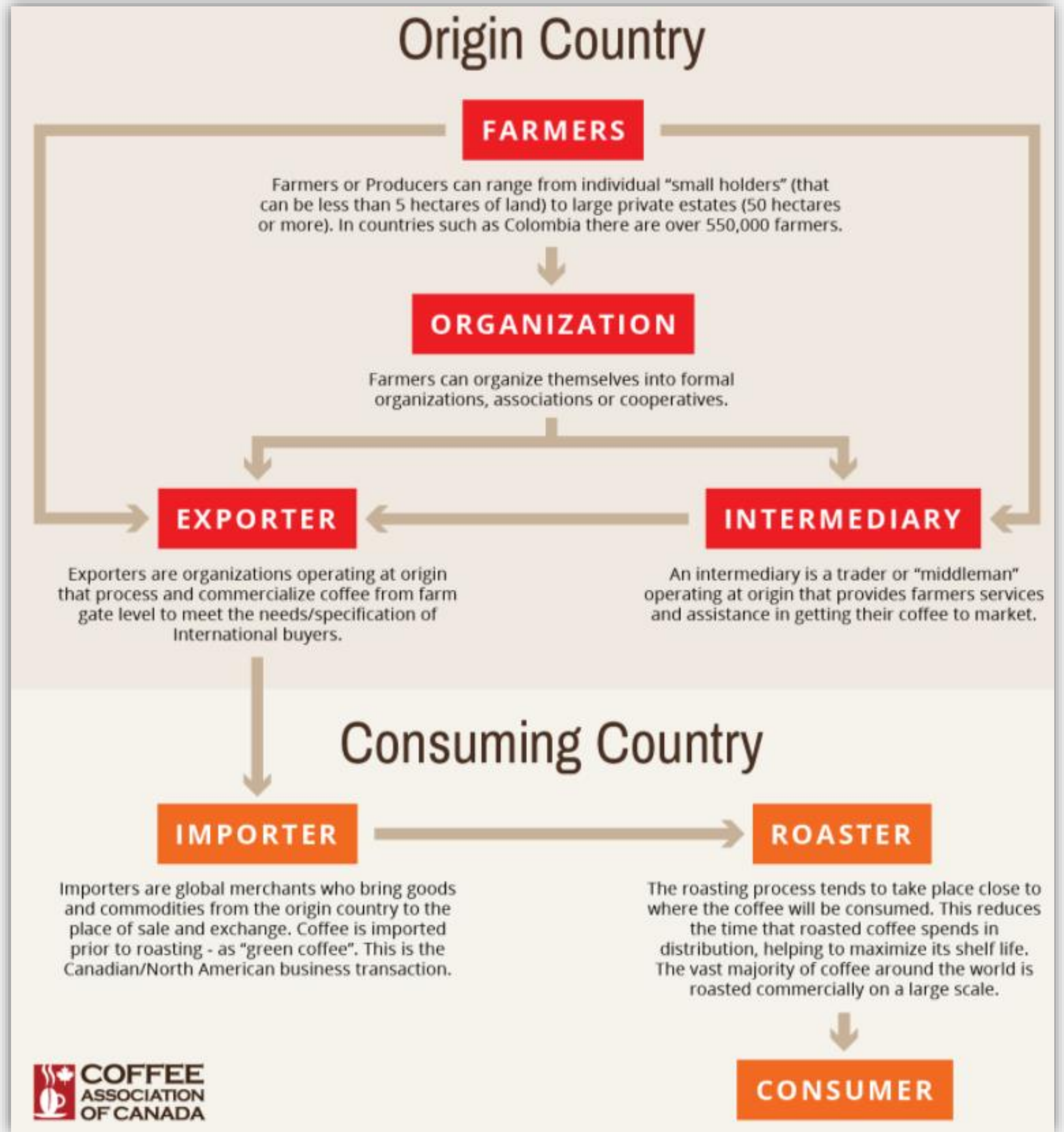
Source:Coffee Association of Canada

POTENTIAL PARTNERS

THE COFFEE VALUE CHAIN

- Coffee is often trade along multiple points from producers to processors in order to complete the supply chain. In North America, specifically in Canada, coffee is imported through specialized US or international based importers who integrate highly complex supply chains.

- Roasters and coffee shop owners can also trade the beans directly from farmers and growers based in producing countries.



Source: Coffee Association of Canada

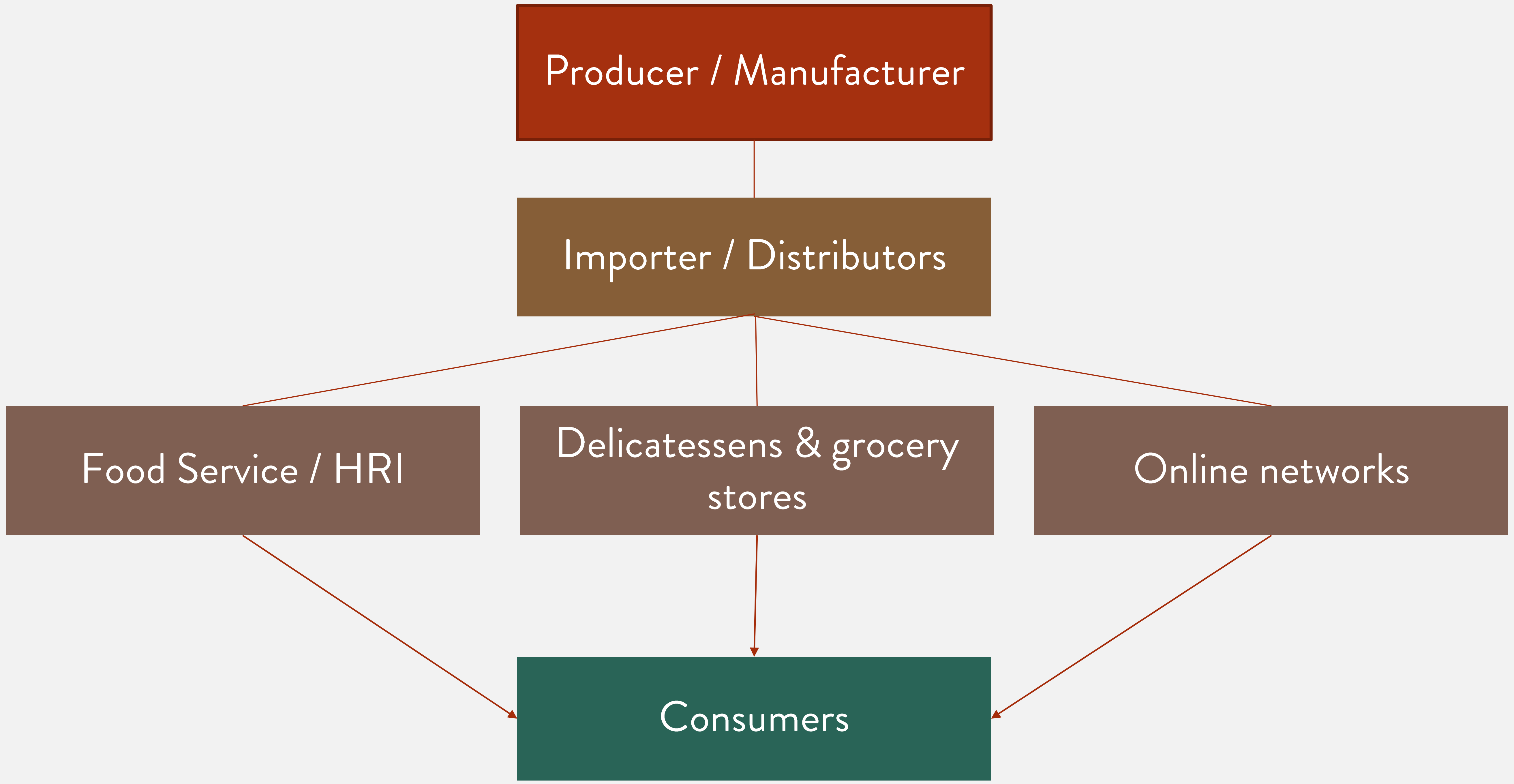
THE COFFEE VALUE CHAIN

- Canada does not produce any local coffee. However, local roasters are becoming more and more important.
- Therefore, green beans are imported through specialized importers and transformed locally, close to where the coffee will be consumed.
- Independent coffee shops, baristas and third wave coffee shops are mostly sourcing their roasted coffee, ground or not, through local Canadian roasters.

Source: Coffee Association of Canada

THE COFFEE VALUE CHAIN

In order to sell finished coffee products in Canada considering the market conditions, the best approach would be to establish a distribution network.



COFFEE DISTRIBUTORS

NAME	ADDRESS	CITY	COMPANY DESCRIPTION	WEBSITE	CONTACT	PRODUCTS/POSITIONING
Café Serca	4490 Avenue Thibault St-Hubert, (Québec), J3Y 7T9	St-Hubert Québec (QC)	Café Serca is a key distribution company and a leading coffee supplier in Québec with more than 1000 clients in the Montreal and surrounding areas. It offers various flavours, colours, aromas and types of coffee to several industry actors, and especially for the catering industry.	http://cafe-serca.com/	+11-800-646-2259 ventes@cafe-serca.com	Café Serca offers coffee, hot drinks, coffee makers and service.
Chequers	9790 rue Meunier, Suite 100C Montreal (Quebec) H3L 2Y8	Montréal, QC	Chequers is a coffee, water and vending specialist and a reliable, dedicated partner. They offer 15 types of extraordinary gourmet brands of coffee, including individually wrapped sachets of filter coffee, provide filter and espresso-grade coffee, coffee capsules and pods that are eco-friendly.	http://chequers.ca/	+1-514-388-7177	They supply unparalleled products and services to some of the most renowned organizations across Canada in the Healthcare, Eldercare, Hotel, Restaurant, Corporate, Industrial and Retail sectors.
Aramark	2626 Rue Lapierre, Lasalle, QC H8N 3G4	Lasalle QC	Aramark is a leader in professional services, providing award-winning food services, facilities management, and uniform and career apparel to health care institutions, universities and school districts, stadiums and arenas, and businesses around the world.	https://www.aramarkrefreshments.com/webstore/homepage.action	1-855-273-3835 Laura David, Account manager and business development	Aramark partners with high-quality, trusted brands to offer a range of gourmet office coffee, tea, and cocoa, with options like organic, fair trade, and cold brew coffees for your office. They also offer vending machines services,
CafCaf	5-B rue de Montgolfier, Boucherville, Qc J4B 8C4	Boucherville QC	Cafcaf is a Quebec company that has been specializing in coffee distribution for over 31 years in the greater Montreal, Laurentian and Eastern Townships areas. The company focuses on coffee break service and distribution of related products in offices, restaurants and home deliveries as well as in grocery stores and in their vending machines.	https://cafcaf.com/	+1-800-979-2233 +1-514-933-5500 cafcaf@cafcaf.com Étienne Giroux, Accounts Receivable Coordinator	They offer a variety of services: distribution of coffees (coffee beans, coffee bags, alterra coffee, k-cups coffee), related products, single brew machines and filter and espresso machines. They also offer many certified products such as Direct Trade, Swiss Water, Rainforest Alliance, Bullfrogpower, Organic Corp Improvement Associacion and Canada Organic.
Buy Coffee Canada	3110 Marentette Ave. Windsor, Ontario N8X 4G2	Windsor, Ontario (ON)	With over 55 years of coffee roasting and food distribution, they've sourced the best coffee and food products and made them available to everyone at home.	https://buycoffeecanada.com/	1-800-870-8982 Skylar Bowker, E-Commerce Manager	Wholesale company that offers a variety of Arabica Coffee beans,Espresso beans, Flavored coffee, Organic and Fairtrade coffee, Green coffee, Instant Coffee, Espresso pods and Fraction packs. They also offer cold brew coffee, syrups, teas and equipm ent.
Beanwise (Coffee Sense Inc)	1400 O'Connor Drive, Unit 8-10 Toronto, ON M4B 2T8	Toronto ON	Canada's largest online coffee & tea store. Since 2006 they have taken great pride in quickly shipping Canadians the world's finest and fresh coffees at great prices.	https://beanwise.ca/	+1-416-925-2555 Jim Gilliland, President & Chief coffee taster	Canada's largest online coffee & tea store. They offer various options from many brands including whole beans, Keurig K-Cup pods and Keurig compatible pods as well as Nespresso compatible capsules.
Ferma Food Products	44 Atomic Ave., Toronto, ON., M8Z 5L1	Toronto ON	Ferma is an importer, wholesaler and distributor of a full range of European and Latin products. Family owned and operated since 1979 with locations in Toronto and Montreal.	http://www.fermafoods.com/	+1-416-533-3591 sales@fermafoods.com Steven Belas, Product Procurement & Corporate Sales	It has a wide variety of coffee of the Delta brand, including capsules, drip coffee, instant decaf, Pastilhas, beans, and ground coffee.
ECS Coffee	3100 Harvester Rd #6, Burlington, ON L7N 3W8, Canada	Burlington ON	With two retail locations, an in-house service and repair centre in Burlington, and a state of the art website serving all of Canada - they are your number one source for coffee and espresso brewing gear and coffee. They represent most major coffee brands in Canada and are distributing to national and local retailers.	https://ecscoffee.com/	+1-800-263-3890 webdesk@ecscoffee.com Michelle Crossan, Retail Operations Manager Sarah Minos, Food and Beverage Specialist	Services of office coffee, equipment and coffee beverages including Keurig K-cups, Nespresso Compatible capsules, whole beans, ground coffee, coffee pods

COFFEE DISTRIBUTORS

Pods & Capsules

NAME	ADDRESS	CITY	COMPANY DESCRIPTION	WEBSITE	CONTACT	PRODUCTS/POSITIONING
Kups (ABC Cork Co.)	653 Wilton Grove Rd. W. London, ON N6N 1N7, Canada	London ON	ABC Cork, is a leader in the wholesale home brew market and imports foods from Portugal. Kups is a division of ABC Cork Co.	https://kups.com/ https://abccork.com/home	+1-519-668-6160 hello@questionscentral.com Dani Cardoso, Manager	They are proud to offer a wide selection of delicious coffees. Among their product offers we find coffee pods, Keurig compatibles, Nespresso compatibles, whole bean, ground coffee and decaf.
Mother Parkers Tea & Coffee Inc.	2531 Stanfield Road Mississauga, Ontario, L4Y 1S4	Mississauga ON	Since 1912, they´ve helped change the way people experience their tea and coffee. Their passion for delivering a better beverage experience has helped them become the supplier of choice to some of the world's largest retailers and foodservice operators. What started as a small wholesale grocery distributor has grown into one of the world's leading purveyors of tea and coffee.	https://www.mother-parkers.com/	+1-905-279-9100 Adina Man, Senior Director, Sourcing Gavin Wells, VP, Corporate purchasing and commodities Katie Ryan, Director, Coffee procurement	The company has a range of coffee brands to suit every consumer taste and retailer requirement. Including a selection of roast profiles and blends. Mother Parkers offers turn-key beverages solutions for Cafés and restaurants, the hospitality and healthcare industries as well as the education institutions and services for office coffee. Among their coffee products we find ground coffee, certified coffee, EcoCups, and coffee pods.
Single cup	#3, 401 33 St NE, Calgary, AB T2A 1X5	Calgary (Alberta)	Singlecup.ca was created by a family of coffee lovers. Serving the internet since 2008, they are proud to be a leader in the ecommerce industry and online coffee ordering. They have two retail stores in Calgary and Edmonton. Their distribution area is western Canada.	https://www.singlecup.ca/	1-866-340-9017 info@singlecup.ca	Offering a wide variety of coffee products from many different brands, we can find coffee (and tea) pods, espresso capsules, flavia filter-pack, craft whole bean and craft brewing. The company also offer other related products such as coffee accessories and automatic espresso brewer. Single cup also have products for office coffee.
Café Express Distribution	355, rue du Marais, local 110 Québec (Québec) G1M 3N8	Quebec QC	Created in 1988, Café Express Distribution offers, in addition to the coffee break service, they specialize in the wholesale distribution of coffee as well as the sale of residential and commercial espresso machines. Café Express Distribution was acquired in 2001 by Pause Café Trans-Québec, which distributed coffee machines. The new owners decided to keep the Café Express Distribution name because it better represents the scope of their products and services, which are no longer limited to the coffee break service. In addition, they now offer a quality technical service to residential customers.	https://www.distributioncafeexpress.com/	+1-418-654-1419 info@distributioncafeexpress.com	Sale of various brands of coffee beans and ground coffee, coffee capsules, as well as espresso machines Lelit, Jura, Saeco, Delonghi, Philips and Breville. Many accessories. They also offer a repair service for residential espresso machines.

FOOD & BEVERAGE DISTRIBUTORS

Quebec

NAME	ADDRESS	CITY	COMPANY DESCRIPTION	WEBSITE	CONTACT	PRODUCTS/POSITIONING
Mayrand Food Depot	9701 Boulevard Louis-H. La Fontaine, Anjou, QC H1J 2A3, Canada	Montreal QC	Mayrand is a Quebec company and food trade specialist since 1914. Mayrand is a food wholesaler operating from an all new 80 000 square foot warehouse-store dedicated entirely to the food industry sectors. It serves catering services, daycares, coffee and sandwich shops, pizzerias, dairy bars, and chocolate makers.	https://www.mayrand.ca/en/	+1-514-225-9330 Mayrand Anjou +1-514-255-9330 Mayrand Brossard +1-514-255-9330 Mayrand Laval +1-514-255-9330 Mayrand Saint-Jérome +1-450-990-2289 Stéphanie Gagnon, Category and procurement manager	Mayrand is a food and beverages wholesaler. They offer several variety of coffee including espresso coffee beans, espresso coffee caps, Nespresso compatible coffee caps, fine and classic ground coffee, instant coffee and decaf from many brands.
Mayrand Plus	9701 Boulevard Louis-H. La Fontaine, Anjou, QC H1J 2A3, Canada	Montreal QC	Mayrand Plus is proud to be part of the Mayrand Food Group family. It is a food service distributor reserved exclusively for professionals and businesses. Their customers includes Restaurants, grocery stores, institutions, artisans and independent businesses. They deliver everywhere in Québec.	https://www.mayrandplus.ca/en/	1 (800) 461-8747 Kim Cote, Buyer Cynthia Dumon, Buyer Isabelle Plourde, Procurement	It is the exclusive distributor of the coffee products of Hortus. They also distribute several variety of coffee including espresso coffee beans, espresso coffee caps, Nespresso compatible coffee caps, fine and classic ground coffee, instant coffee and decaf from many brands.

FOOD & BEVERAGE DISTRIBUTORS

Ontario

NAME	ADDRESS	CITY	COMPANY DESCRIPTION	WEBSITE	CONTACT	PRODUCTS/POSITIONING
A1 Cash+Carry	6400 Kennedy Rd, Mississauga, ON L5T 2Z5, Canada	Mississauga ON	A1 Cash & Carry is a master distributor and wholesaler of restaurant equipment, small wares, janitorial, food packaging, proteins, produce, dairy, frozen foods, bulk grocery, and beverage. A1 Cash & Carry serves over 1,000 customers daily, through cash & carry, doorstep delivery, or their re-distribution program.	https://www.a1cashandcarry.com/	Missisauga +1-905-676-9950 mississauga@A1cashandcarry.com Etobicoke +1-416-503-2277 etobicoke@A1cashandcarry.com London +1-519-681-4141 london@A1cashandcarry.com E-commerce related queries only +1-833-676-1667 ecommerce@A1cashandcarry.com Jaudat Hashmi, Sales Manager	The company offers a variety of coffee including filtered coffee, whole beans, ground coffee and instant coffee from various brands. Based on their website, they do not offer capsules and k-cups coffee.
Sysco	21 Four Seasons Pl Suite 400, , ON , Canada Etobicoke, ON, CA, M9B 6J8	Etobicoke ON	Sysco is the global leader in selling, marketing and distributing food products to restaurants, healthcare and educational facilities, lodging establishments and other customers who prepare meals away from home. Its family of products also includes equipment and supplies for the foodservice and hospitality industries.	https://www.sysco.ca/	+1-416-234-2666 (Corp Office) +1-514-494-5200 (Sysco Quebec) Stephan Pare, Vice-President Sales, Sysco Quebec Franco Narcisi Jr, Director of Business Resources	As one of the leading beverage distributors in Canada, Sysco also supplies beverages and beverage products to a wide range of businesses across the country, including restaurants, hospitality establishments, camps, amusement parks, government offices, healthcare and senior living facilities, academic institutions, and more.
Flanagan Foodservice	145 Otonabee Drive Kitchener, Ontario N2C 1L7	Kitchener ON	Proudly Canadian-owned and built on a reputation for reliability and flexibility, Flanagan Foodservice provides exceptional service to over 8,000 restaurateurs and foodservice operators. With over 10,000 items for your foodservice operation, they deliver products and solutions that make your life easier. They offer their services across the whole country.	https://www.flanagan.ca/	+1-519-748-6878 vendors@flanagan.ca Pete Bozzer, Director of Procurement Barry Reid, VP Sales & Marketing	Food beverages distributor. Flanagan supplies coffee and tea varieties from the brands you know and love.
Greenbridge	1373 Victoria Street, North, Unit 201 Kitchener, Ontario N2B 3R6 226-666-0796	Kitchener ON	Designed to support manufacturer branded products, Greenbridge has grown to serve more than 12,000 foodservice operators, over 7,000 branded products, more than 250 sales professionals, and 7 distributor member companies from coast to coast.	https://greenbridgefoodservice.ca/index.html	Guy Bourbeau, V.P. Category Management +1-519-998-0081 gbourbeau@gbfs.ca Craig Straus, Category Manager +1-519-497-4046 cstraus@gbfs.ca	Their coffee products are sourced from Cielo Coffees, offering roasted blends and single orifin coffees. They also provide the products of Mother Parker´s tea & coffee.

FOOD & BEVERAGE DISTRIBUTORS

British Columbia and Western Canada

NAME	ADDRESS	CITY	COMPANY DESCRIPTION	WEBSITE	CONTACT	PRODUCTS/ POSITIONING
Terra International Foods	7298 Hume Avenue, Delta BC Canada V4G 1C5	Delta BC	Founded by two Polish-born immigrants who realized there was an opportunity to import premium European products to satisfy the evolving taste of the Canadian consumer, Terra International Foods was founded in 1976. As a highly experienced importer-distributor, **Terra International Foods** is one of Western Canada's leading brand builders who represent a number of the world's highest performing specialty, natural-organic, and everyday grocery products. The goal of Terra International Foods is to form partnerships with manufacturers of the world who create outstanding food products. Our selection process for partnering with any brand includes evaluation of product packaging, taste, quality of ingredients, and overall value while considering the needs of Canadian consumers.	https://terrafoods.ca/	+1-604-946-7277 +1-604-946-7255 customerservice@terrafoods.ca	Terra International Foods has a small variety of coffee products which is mainly instant coffee.
Omega Food Importers Co.	395 Pendant Drive, Unit 2, Mississauga, ON, L5T 2W9, Canada	Missisauga ON	Omega Food Importers is a recognized industry leader specializing in importing European foods to Canada. The company has a reputation to be one of the largest European food importers in all of North America. Their products can be found within major chain and independent stores in every Canadian province. Omega Food is always in search of unique products to add to our growing inventory and constantly striving to identify new market trends and products in the European food market, in order to be the first to introduce them to the Canadian market. While their head office and warehouse are located in Ontario's Greater Toronto Area, they have expanded their Canadian food distribution network to span throughout all of the Canadian provinces. Their sales representatives can be found in every major Canadian city, including Toronto, Vancouver, Halifax, Edmonton, Ottawa, Quebec City, Montreal, Calgary, Winnipeg, Kitchener and Hamilton.	http://www.omega-foods.com/	+1-**905-212-9252** **info@omega-foods.com** West regional sales **westsales@omega-foods.com** **Est regional sales** **eastsales@omega-foods.com** **Central regional sales** **centralsales@omega-foods.com**	Omega Food distributes an ever-growing range of products, including specialty candies and desserts as well as premium cuts of meat and fish, and various types of beverages including coffee.
Canada Food Group	3823 - 29 Street NE Calgary AB Canada T1Y 6B5	Calgary AB	Canada Food Group (CFG) has over 100 years experience in the grocery industry in Canada distributing, importing and representing dry goods, grocery, specialty food, and dairy producers from Canada and around the world. With their (4) warehouses strategically located across Canada, Canada Food Group's 30 sales representatives provide their clients' with an invaluable network of relationships and professional experience that provides superior results for their superior brands.	http://canadafoodgroup.com/index.html	+1-403-291-0660 +1-800-370-3850 Western partner info@elitefoods.ca	Among the various products they distribute, we find food and beverages, including coffee products.

FINE SPECIALTY GROCERY

Quebec

NAME	ADDRESS	CITY	COMPANY DESCRIPTION	WEBSITE	CONTACT	PRODUCTS/POSITIONING
Gourmet Laurier	1032 Avenue Laurier O, Outremont, QC H2V 2K8	Montreal QC	Gourmet Laurier is the Queen mother of Montreal's fine foods and gourmet shops that has been around forever.	www.gourmetlaurier.ca	+1-514-274-5601 contact@gourmetlaurier.ca Harris laurier.gourmet@gmail.com	A place where you can discover a host of imported treasures - soaps, spices, teas, mustards, chocolates, candies, fruit jams, a variety of oils and vinegars – while freshly cut delicatessens and fine cheeses. They have a coffee space offering Gérard Van Houtte coffee. There seems to be a potential for imported packed coffee and coffee capsules.
Supermarché PA	5242 Av du Parc, Montréal, QC H2V 4G7	Montreal QC	With over 50 years in grocery bysiness, Montreal grocer Supermarché PA is a well-known local grocery chain with various locations around the city. They also have one organic and natural food store in the city called PA Nature. The company offers online ordering and delivery to surrounding areas.	https://www.supermarchepa.com/	+1-514-273-8782 Patricia Chouinard, Director of Operations PA Nature +1-514-273-7775 Nick Lup, Manager nick@campanja.com	As a grocer, PA offers a wide variety of grocery products. They also offer a wide variety of coffee products from various international brands, as well as espresso coffee pods.
InterMarché Universel	89 Avenue du Mont-Royal E, Montréal, QC H2T 1N6	Montreal QC	InterMarche Universal serving the Plateau community in Montreal since 1973.	https://www.intermarcheuniversal.ca/fr/	+1-514-849-6307 Junior universalmeat@bellnet.ca	With a wide choice of products, including fine cheese, artisanal beers, fresh bakery products, natural foods, gluten-free products, meat, fish, fruits and vegetables. They also carry Organic and fair trade products, as well as a large variety of european imported products. They have several coffee products from various brands.
La Moisson Supermarché Santé	360 rue Sicard, Ste-Thérèse, J7E 3X4	Ste-Therese QC	Today, they are one of the largest natural and organic food markets in Quebec. They are constantly innovating by searching for products that meet the highest standards of quality. As a complete health food store, La Moisson Supermarché santé is very popular on the North Shore of Montreal.	https://lamoisson.com/	+1-450-437-3326 Bernadette lamoisson@lamoisson.com Chrystelle Phanekham, Buyer	They offer a waide variety of coffee products from various brands including instant coffee, flavoured coffee mix, coffee breans, ground coffee as well as coffee-based products (body scrubs, coffee bars, espresso coffee. According to their website, they do not offer coffee capsules.
Douceurs du Marché	138 Atwater Ave, Montreal, H4C 2G3	Montreal QC	Atwater Market fine grocery store. Their store has over 3000 fine products from around the world.	https://www.facebook.com/Les-Douceurs-du-March%C3%A9-113298775371297/?ref=page_internal	+1-514-939-3902 Tina douceursatwater@gmail.com	As a fine grocery store, they offer a wide variety of products from all around the world including a large variety of teas and some coffee products. Among their coffee, we find freeze dried coffee, espresso and fround coffee. According to their website, they do not offer coffee capsules.
Epicerie JA Moisan	Épicerie J.A. Moisan 699 Rue Saint-Jean, Québec, QC G1R 1P7	Québec QC	Grocer J.A. Moisan founded his business in 1871 on St. John Street. A renowned grocery store frequented by people of all social classes and offering rare products that were not found elsewhere. Today, the Saint-Jean Baptiste neighbourhood is still a favourite place for the people of Quebec City and commuters, who come to walk, shop and hang out.	https://epiceriejamoisan.com/	+1-418-522-0685 epicerie@jamoisan.com	JA Moisan is a grocery store that offers a variety of products including spices and oil, coffee and tea, cheese and charcuteries, as well as organic products.
La Vieille Europe	3855 St Laurent Blvd, Montreal, H2W 1X9	Montreal QC	La veille europe is a deli, speciality grocery store offering a wide variety of imported products, from cheese, charcuteries, and coffee.	https://lavieilleeurope.com/	+1-514-842-5773 Paulo paulraimundo2009@hotmail.com	Specialists in roasting since 1983, their coffees have been roasted on site daily for over 35 years. They have over 40 different varieties in store. In addition, they have a wide variety of teas in bags or in bulk. They do not offer coffee capsules.
Les filles Soares	130 Duluth Est, Montreal, QC H2W 1H1	Montreal QC	Les Filles Soares is a a local grocery shop that is the extension of the legendary Portuguese store situated at the heart of the Plateau of Montreal (Butcher grocer Sores & Fils).	https://www.lesfillessoares.com/en/	+1-514-288-2451 lesfillessoares@gmail.com	Over the years, local and ethnic specialties products became present on their shelves. More recently, organic, gluten-free and healthy products joined their portfolio. Their Portuguese coffee products are varied and include ground coffee, espresso beans, from brands such as Delta, Mocambo and Tofina. They do not offer coffee capsules.
Café Vasco da Gama	Café Vasco Da Gama 1472 Peel St, Montreal, Quebec H3A 1S8, Canada	Montreal QC	Café Vasco da Gama is part of the Groupe Ferreira. Groupe Ferreira is a culinary concept featuring three restaurants cherished by the people of Montreal. At the core of this ever evolving gastronomic adventure is a deep-seeded Portuguese tradition of quality and hospitality.	https://vascodagama.ca/fr/	+1-514-286-2688 Ludovic Cancellata, Director of sales, operation and account management (Groupe Ferreira)	Café Vasco da Gama is a restaurant café that is also offering portuguese products such as olive oil, wine and sauces. They do not seem to be offering coffee products, but it could be interesting to approach them to extend their product line for Portuguese coffee products.

FINE SPECIALTY GROCERY

Ontario

NAME	ADDRESS	CITY	COMPANY DESCRIPTION	WEBSITE	CONTACT	PRODUCTS/POSITIONING
Mario´s Food Centre	381 McArthur Avenue. Vanier, Ontario Canada	Vanier ON	Mario's Food Centre has been serving Ottawa's Portuguese community since 1964 providing quality products from Portugal, Brazil and Spain. Their have a selection of foods including imported fish, meats, cheese, can goods and drinks.	http://www.mariosfoodcentre.com/Marios_Food_Centre/home.html	Filipe Correia, owner and operator +1-613-749-1247 fil@mariosfoodcentre.com	Among their products, they offer various brands, mainly ground coffee.
Markham Fine Foods	23 Wootten Way North Markham, Ontario L3P 2Y2	Markham, ON	Markham Fine Foods has changed considerably since it first opened in 1972. Much more than just a "milk-and-bread operation", they have a tremendous selection of top quality products, local and imported.	http://www.markhamfinefoods.com/default.aspx	+1-905-294-5521 info@markhamfinefoods.com	Gourmet Coffee from Seattle's Best Coffee (fresh brewed or whole bean)
Europa Foods	1474 Dundas St East London, Ont	London ON	Founded in 2019, and born from their shared dreams of opening their own grocery shop, Carlos and Lucia started Europa Foods with just an idea. From prior experience and knowledge of how difficult it can be to find ingredients from their culture, they knew that they needed to build a store where people could do just that! Catering to the diverse blend of cultures in London, Europa Foods is dedicated to supplying people with a taste of home.	https://www.europafoods.net/	519-453-7174	Europa foods has a variety of products offering from Portugal, Poland, Brazil, Italy and more.
Euromax Foods	61 James Snow Pkwy. Unit 5 Milton, ON L9T 0R3	Milton ON	Euromax Foods provides a mixture of products with good alternative for our ethnically diverse society. They are represented by three busy locations in Brampton, Mississauga and Milton as well as their logistic division operating under the name of Euro Club Logistics with its head office in Brampton, Ontario. Each and every one of their deli/grocery stores offers a variety of mostly European goods at exceptional price.	https://euromaxfoods.com/	+1-905-693-6616 milton@euromaxfoods.com	Euromax Foods offers a wide variety of european coffee products, including instand coffee, ground coffee, whole bean coffee, k-cups, and flavored coffee.

FINE SPECIALTY GROCERY

British Columbia

NAME	ADDRESS	CITY	COMPANY DESCRIPTION	WEBSITE	CONTACT	PRODUCTS/POSITIONING
Nesters Market Squamish	19580 Telegraph Trail, Surrey, BC - V4N 4H1	Surrey British Columbia (BC)	Nesters Market was founded in the village of Whistler in 1987, giving the community its first true full-service grocery store. It soon became the locals store of choice, and has remained that way for over 30 years. They pride themselves on excellence in customer service with a focus on fresh and quality goods. Over the course of the last 18 years, 14 additional Nesters Market locations have been opened across BC and Alberta, including major tourist areas such as Banff and Jasper National Parks.	http://nestersmarket.ad.calls.net/	+1-604-888-1121 Bruce Stewart General Manager Matt Verma, Retail Operations Coordinator Taylor Tower, Retail Produce Operations Coordinator	The commapy offers a large selection of local, organic, natural and specialty products that you can't find anywhere else. There seems to be a potential for imported packed coffee and coffee capsules.
Le Marche Gourmet	607 Victoria Rd #101, Revelstoke, BC V0E 2S0	Revelstoke BC	Le Marche Gourmet is supporting Local growers and Suppliers and providing high quality Import Foods.	https://www.lemarchegourmet.ca/	+1-888-828-0583	Among their coffee products, we find several coffee blends, mostly roasted coffee.
L´Epicerie Gourmande Canada	Granville Island Public Market #146-1689 Johnston Street Vancouver, BC, Canada	Vancouvert BC	L'Epicerie Gourmande Canada, established in 2012, is a specialty food business based in Vancouver B.C. The group has bot L´Epicerie & Gourmet Shop as well as L´Assiette, kitchen production + café. L'Assiette is a purveyor of good food. You can come in for a coffee, Viennoisserie or Tartines.	https://www.lepicieriegourmande.com/	+1-604-653-7317	They have an array of deliciously roasted free-range rotisserie meats. In addition, they offer a Huilerie and Vinaigrerie section that houses premium, exceptional, flavoured olive oils and vinegars.
The Gourmet Warehouse	1340 East Hastings St. Vancouver, BC	Vancouvert BC	As one of Canada's Premier online Gourmet & Housewares store, the Gourmet Warehouse is a unique specialty food and housewares emporium appealing to professionals and home cooks alike. Located in the heart of Vancouver, The Gourmet Warehouse has been in business since 1998. It started in a 700 square foot alley accessed warehouse. Now the store boasts over 19,000 square feet of specialty ingredients and an inclusive range of cookware essentials, from spatulas to tagines. Their team travels the world to fill the store with authentic and original products before they hit the mainstream market.	https://gourmetwarehouse.ca/	+1-604-253-3022 service@gourmetwarehouse.ca websales@gourmetwarehouse.ca	It offers a wide variety of coffee accessories such as french press coffee maker, coffee grinder and cups as well as coffee products including organic coffee bean, instand espresso coffee, roasted coffee.
Bosa Foods	562 Victoria Drive Vancouver, BC V5L 4E2	Vancouvert BC	For over 60 years, BOSA FOODS has been a leading importer and distributor of specialty Italian and Mediterranean food products to the foodservice and retail markets in Western Canada. They fully manage the full importing and distribution process of their products.	https://bosafoods.com/	+1-604-216-2659	At Bosa Foods, you will find many brands of espresso and drip coffee available as beans or ground. From the highest-end coffee to the most convenient tin or bag, there are a range of options to suit all preferences.

ASSOCIATIONS AND EVENTS

INDUSTRY ASSOCIATIONS

Food Beverage Canada

301, 17914-105 Avenue, Edmonton, AB T5S 2H5, Canada Tel.: 1 780 486 9679

Fax: 1 780 484 0985

www.foodbeveragecanada.com

Coffee Association of Canada

885 Don Mills Road, Ste. 301 Toronto, Ontario M3C 1V9, Canada Tel.: 1 416 510 8032

Fax: 1 416 510 8044

www.coffeeassoc.com

Specialty Coffee Association – Canada Chapter

https://www.canadiancoffeeguild.com/

Source: Marketline

INDUSTRY EVENTS

Restaurants Canada Show - MARCH 8-31, 2021
RC Show is a trade show and conference with thought-leadership content and networking events. With 20,000 industry professionals in attendance, RC Show is Canada's largest food service and hospitality event bringing the industry together to shop, taste, learn, connect and grow their business.

Restaurants Canada Head Office
1155 Queen Street West
Toronto, ON M6J 1J4
1-800-387-5649 x SHOW (7469)
rcshow@restaurantscanada.org
https://www.rcshow.com/

Toronto Coffee and Tea Expo
The annual Toronto Coffee & Tea Expo celebrates the city’s buzzing café culture — with its best baristas, roasters, tea sommeliers, blenders, distributors, coffee shops and café gear.

sip@torontocoffeeandtea.com
https://torontocoffeeandtea.com/

The Canadian Coffee & Tea Show – SEPTEMBER 10-20, 2021
The Canadian Coffee & Tea Show, where thousands of exhibitors and attendees come together under one roof. Connect on the trade show floor where people, products and opportunities meet in a dynamic setting with unlimited possibilities. Suppliers from all over the world participate in the Canadian Coffee & Tea Show to promote and demonstrate their products to decision makers in the Canadian market.

The Toronto Congress Centre, Toronto, Canada
1-877-687-7321
info@coffeeteashow.ca
https://www.coffeeteashow.ca/

The Toronto Coffee Festival – OCTOBER 22-24, 2021
The Toronto Coffee Festival is Canada's flagship coffee event celebrating the city's diverse and vibrant coffee scene. The Festival will feature over 100 artisan coffee and gourmet food vendors, tastings and demonstrations from Canada’s top baristas, interactive workshops, street food, coffee cocktails, live music, DJs, art exhibitions and so much more.

Evergreen Brick Works
550 Bayview Ave
Toronto, ON M4W 3X8
info@toronto-coffeefestival.com
https://www.toronto-coffeefestival.com/n

CONCLUSIONS

FINDINGS

- In light of the industry analysis, it appears that Portuguese coffee companies should first target the main coffee markets in Canada, which follows the highest population density: Ontario, Quebec and British Columbia. These provinces are home to the three largest cities in Canada, Toronto, Montreal and Vancouver, while they also have the most specialty food stores in the country.

- Considering that the specialty food store industries´ revenue growth is expected to increase to an annualized rate of 3.2% for the next five years, there is a great potential to explore this path. However, it is important for Portuguese companies to bear in mind that given the diversity of offering in terms of coffee, it is essential to have a clear market position and an attractive product presentation to capture consumers´ attention.

- While some specialty grocery stores appear to only offer certain types of coffee products such as coffee beans and/or ground coffee, there is an opportunity for Portuguese coffee companies to offer a wider variety of coffee products by also including coffee capsules and coffee pods to increase product offering of specialty stores.

OPPORTUNITIES

- The Canadian market is an interesting market for Portuguese coffee companies. Canada has imported for over 1 billion euros of coffee (roasted or not, caffeinated or not) in 2020. Roasted coffee accounts for more than 46 % of imports. Considering that Portugal roasted coffee only accounted for 0,28% of the total Canadian coffee imports in 2020, there is definitely opportunities for Portuguese companies to increase their share of imports into Canada with differentiated products.
- Finished coffee products have great potential since at home coffee consumption represent 70 % of total Canadian coffee consumption and Canadians prefer to buy their home coffee in grocery stores over coffee shops.
- Due to the market chain value, Portuguese companies should put their effort in developing strong partnerships with distributors of food and beverage such as coffee who are already distributing exquisite European products. Those distributors have the network to reach Canadian customers through fine and specialized grocery stores, food service and online networks.
- In addition to the opportunity we see within specialty grocery stores in Canada for Portuguese coffees, from a medium to long-term perspective, Portuguese coffee exporters should also consider the possibility of entering medium size grocery stores around Canada, considering they have higher consumer reach and are increasingly expanding into gourmet beverages and product coffee offerings.

IMPRINT

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A BLEND OF STORIES

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