



Introduction

According to a number of market research groups, over the last four to five years, there have been some interesting developments in breakfast trends in Canada. Skipping breakfast has declined among Canadians. However, they are heading out of their homes in search of breakfast more often. Cafes and fast-food restaurants are top of mind for away-from-home breakfast options. That said, many consumers source their breakfast at home more often than any other meal. Food trucks and ethnic flavours are making their mark on breakfast meals too. These trends are creating many opportunities for food processors and restaurants owners alike.

The Morning Rush: Breakfast Trends in Canada

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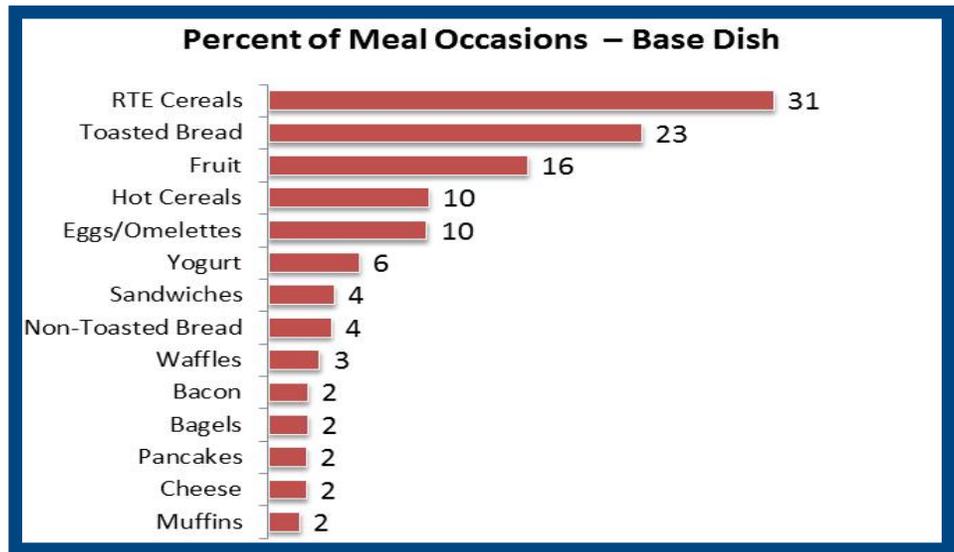
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Sources

1. Eating Patterns in Canada (EPIC), 15th Edition, NPD Group, 2011. The primary source of the EPIC report is based on four different NPD Group services:
 - ◆ National Eating Trends (NET) which tracks consumption behavior relating to retail and restaurants
 - ◆ CREST Canada which collects information about purchase of prepared food and beverages at restaurants.
 - ◆ Health Track Canada which adds attitudes and diet status to NET data base
 - ◆ Snack Track, which tracks the consumption and sourcing of snack foods by individuals
2. Technomic Inc, The Canadian Breakfast Consumer Trend Report, 2013.

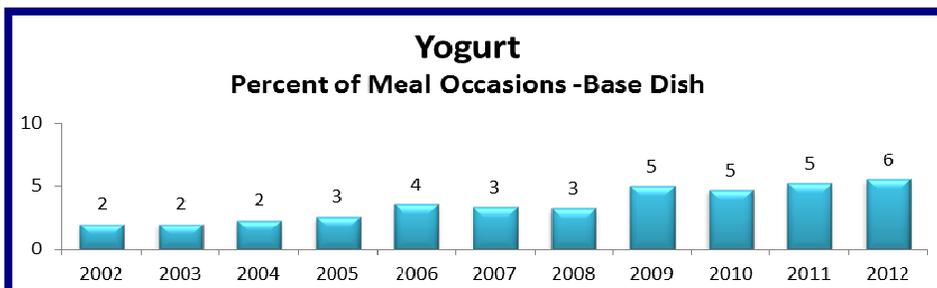
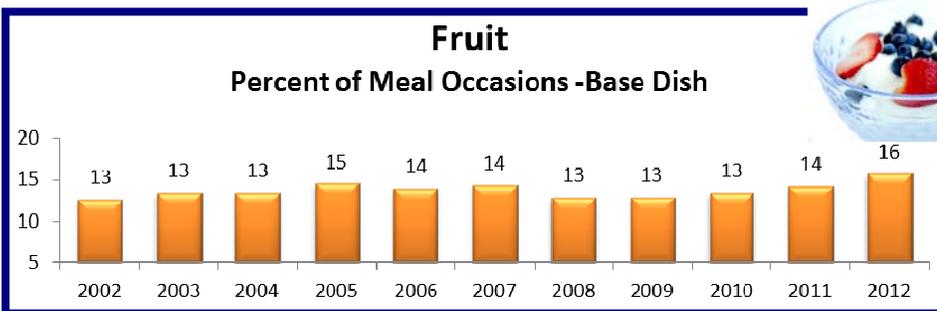
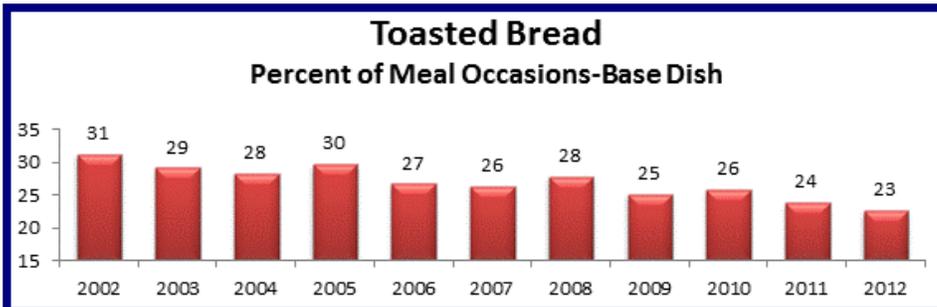
In-Home or Carried-from Home Breakfast Meal Trends

- ◆ Canadians are spending less time preparing breakfast compared to other meal occasions.
According to NPD Group (2012), 80 per cent of all breakfast meals are made in five minutes or less.
- ◆ Ready to Eat (RTE) cereal remains the top food eaten at breakfast followed by toast, fruit and hot cereal.



Source: The NPD Group. Eating Patterns in Canada, year ending March 2012.

- ◆ Toast continues its long-term decline while fruit and yogurt based dishes continue to grow.



- ◆ The growth of fruit, hot cereal, and yogurt show the importance of healthy eating and grab-n'-go breakfast options.
- ◆ Fruit juice, breakfast's second most commonly consumed beverage after coffee, has been in decline since 2006. Fruit consumption at breakfast, however, has been growing.
- ◆ Overall, in-home or carried-from home breakfast trends imply time pressured consumers with a motivation towards eating healthy.

Source: The NPD Group. Eating Patterns in Canada, 2012.

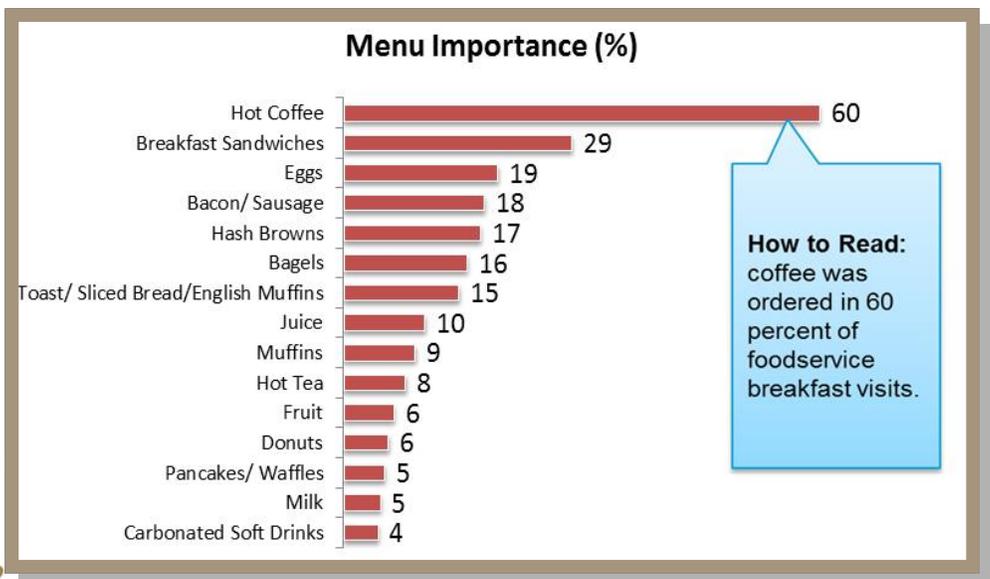
Food Services Breakfast Meal Trends

- ◆ Innovation in the limited service segment (LSR) has grown overall traffic for the breakfast meal occasion. However, full service restaurant (FSR) traffic for breakfast meal occasions has declined.
- ◆ Traditional menu options such as eggs, bacon, sausage, hash browns and toasts are in decline.
- ◆ Menu options such as breakfast sandwiches and bagels are growing in LSR.
- ◆ Egg and cheese sandwiches are the most popular sandwich category in LSR.

Breakfast Entrees (Top 250 Limited-Service Restaurants)						
	Number of Items		Chains Offering		Average Price	
	2012	2013	2012	2013	2012	2013
Sandwich	186	192	43	42	\$ 4.00	\$ 4.38
Breakfast Starch	78	79	30	29	\$ 4.04	\$ 4.23
Combo Plates	71	49	24	21	\$ 5.41	\$ 6.06
Egg Dish	56	55	16	14	\$ 6.77	\$ 7.23
Mexican	7	12	4	5	\$ 5.26	\$ 4.31
Beef Dish	4	5	2	2	\$ 13.25	\$ 12.79
Burgers	2	2	1	1	\$ 4.69	\$ 4.84
Savoury Pie	N/A	2	N/A	1	N/A	\$ 1.99

Source: Technomic Inc, The Canadian Breakfast Consumer Trend Report (2013)

- ◆ **Coffee** is the dominant item ordered at foodservice, followed by breakfast sandwiches.



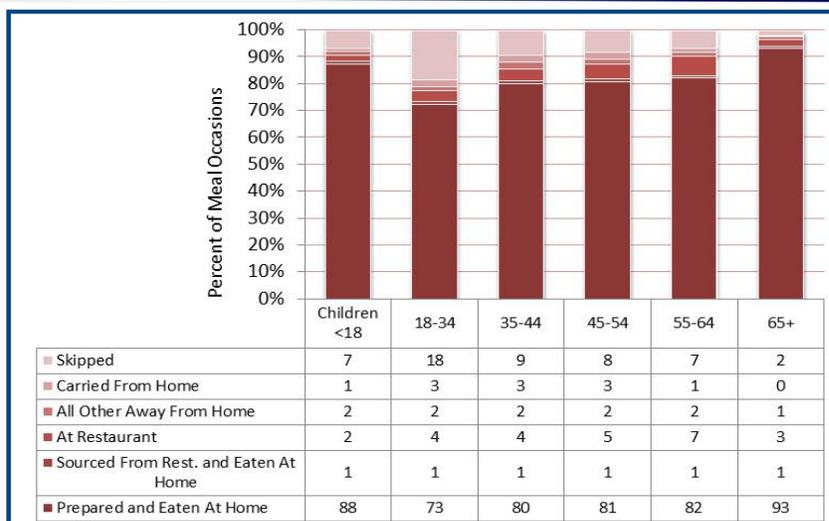
How to Read:
coffee was ordered in 60 percent of foodservice breakfast visits.

Source: The NPD Group. Eating Patterns in Canada, year ending March 2012.

- ◆ Foodservice breakfast meal trends indicate consumers are constrained by time and therefore, demand convenient yet high quality healthy breakfast items.

Venue Distribution at the Breakfast Occasion by Age Group

Young adults, aged 18-34 skip breakfast twice as often compared to the Canadian average. Consumers, aged 65+ rarely skip breakfast. Older people are less likely to use foodservice, but this age group, has the highest growth in traffic at food-service establishments in the morning.



Source: The NPD Group/National Eating Trends – Canada; 3 years ending March 2012

Did you know ?...

- ◆ Millennials are the driving force behind food truck sales. This in part explains their tendency to locate near where Millennials congregate such as universities and late-night bars. Some food truck companies communicate their schedules via social media.
- ◆ Breakfast accounted for nearly 60 per cent of restaurant industry traffic growth over the past five years.
- ◆ Tim Hortons is facing stiff competition from rivals who are aggressively contending for a slice of profitable breakfast market.
- ◆ More than one-quarter of McDonald's revenue comes from breakfast.



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