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Prepared By: Aurela Delibashi

Approved By: Daniel Archibald

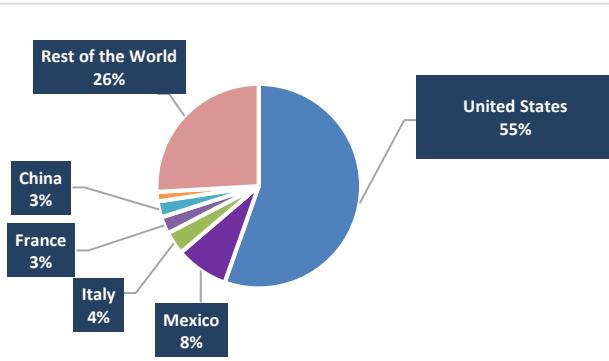
Report Highlights:

Canada is the largest overseas market for U.S. high-value, consumer-oriented products, with exports reaching \$21.8 billion in 2024 – representing a 6 percent growth from 2023. Canada's retail market is mature and largely consolidated, with five companies comprising over 65 percent of the total retail grocery market. The remainder of the market is represented by regional retail chains that include over 6,900 independents and 27,000 small and independent convenience stores. As a result of recent trade tensions, the Government of Canada is working with the sector to promote voluntary "Product of Canada" or "Made in Canada" claims on food labels to make it easy for Canadian consumers to spot products with Canadian input.

Executive Summary:

Canada is a high-income country, and in 2024 its GDP reached USD 2.14 trillion, positioning it as the world's tenth-largest economy and a strategic trade partner for the United States. Canada is both a major producer of food and agricultural products and a key player in the global marketplace. In 2024, it ranked as the United States' second-largest agricultural trading partner, with U.S. agricultural exports totaling USD 29.5 billion and total two-way agricultural trade approaching USD 70.5 billion. Together, the United States and Canada sustain the world's second-largest bilateral agricultural trading relationship, with more than USD 193 million in food, agricultural, and related products crossing the border each day

2024 Canadian Imports of Consumer-Oriented Products



U.S. exports of consumer-oriented products to Canada reached USD 21.8 billion in 2024, representing 55 percent of total category imports from abroad. This segment of agricultural and food products includes snack food, breakfast cereals, sauces, confectionery, pet food, wine, spirits, beer, and soft drinks.

The top consumer-oriented agricultural product categories were bakery goods, cereals, and pasta (\$2.8 billion); soups and other prepared foods (\$2 billion); and fresh vegetables (\$1.8 billion). While U.S. products continue to dominate Canada's imported food market, recent trade tensions and the efforts of Canadian suppliers to diversify their sourcing have intensified competition in agricultural exports.

Canada's food retail sales reached USD 113 billion in 2024. Canada's retail market is mature and consolidated with five leading retailers – three traditional grocers and two general merchandisers – commanding over 65 percent of the market. The remainder of the market is represented by smaller regional retail chains, including over 6,900 independents and 27,000 small and independent convenience stores.

The Canadian food market displays a dichotomy of demand, one for low priced quality foods and the other for premium and specialty food items. Some premium consumer-packaged food products are sold in Canada at three times the comparable U.S. retail price. U.S. companies selling natural, organic, or specialty foods will typically create demand and sales among the independents before tackling larger accounts. Proven sales in Canada are important to help persuade category buyers to list new products.

Quick Facts CY 2024

Imports of Consumer-Oriented Products

\$37 billion

List of Top 10 Growth Products in Host Country

1) Plant-based Milk	2) Flavored Yogurt
3) Pasta	4) Prepared Meals
5) Instant Tea & Coffee	6) Energy Drinks
7) Meat & Seafood Substitutes	8) Rice
9) Bread	10) Dried Fruits

Estimate Grocery & Combination Store Sales Share by Province

1) Ontario – 36%
2) Quebec – 25%
3) British Columbia - 14%
4) Alberta – 12%
5) Manitoba – 4%
6) Saskatchewan – 3%
7) Nova Scotia – 3%
8) New Brunswick – 2 %
9) Newfoundland & Labrador – 2%
10) Prince Edward Island – 0.4%

Top 6 Canadian Retailers (by sales)

1) Loblaw (17 percent)	2) Costco (15 percent)
3) Sobeys (14)	4) Walmart (13)
5) Metro (6)	6) Jim Pattison Group (2)

GDP/Population

Population (millions): 41.7
GDP (billions USD): \$2,140
GDP per capita (USD): \$53,300

Note: The \$1 USD : \$1.37 CAD exchange rate has been applied for 2024

Sources: Canadian Grocer, Trade Data Monitor, Statistics Canada, Bank of Canada and Euromonitor International

Strengths/Weaknesses/Opportunities/Threats

Strengths	Weaknesses
<ul style="list-style-type: none"> - Well-established market with modern distribution channels - Relatively high levels of disposable income 	<ul style="list-style-type: none"> - Strong U.S. dollar - Consolidated retail sector - High inflationary pressure and affordability concerns
Opportunities	Threats
<ul style="list-style-type: none"> - Strong consumer demand for value, high quality - U.S. products enter duty free under USMCA 	<ul style="list-style-type: none"> - High level of competition from domestic and third-country suppliers - Strong "buy local" movement

Section 1: Market Summary

Canada, the second-largest country in the world by land area, has a highly concentrated population with more than 80 percent of the population living in the nation's 15 largest cities. These urban centers serve as the primary engines of retail and economic activity.

As of July 1, 2025, Canada's population reached 41.7 million, a modest 1.2 percent increase from 41.2 million in 2024. Looking ahead, population growth is expected to slow following the federal government's adjustment of immigration targets in October 2024, which reduced planned admissions from 500,000 new permanent residents annually to 380,000 in 2026 and 365,000 in 2027, according to data from the [Government of Canada](#). Despite this moderation, ongoing immigration and continued urbanization will keep Canada's major cities at the center of the country's retail and economic development.

In 2024, Canada's food and alcoholic beverage retail sales totaled \$113 billion (USD), including \$19 billion in alcohol sales—a 4 percent decline from the previous year, following the notable 5 percent increase recorded between 2022 and 2023. The Canadian retail market is dominated by five major retailers that together account for more than 65 percent of grocery sales: three national grocers—Loblaw, Sobeys, and Metro—alongside big-box chains Costco and Walmart. Four of these companies operate nationwide, while Metro's presence is primarily concentrated in Ontario and Quebec. In addition to the major national chains, Canada's grocery landscape includes several strong regional players, such as the Jim Pattison Group, along with many independent and smaller retailers like Rabba, Dollarama, Giant Tiger, and Whole Foods. Regional markets, especially in Western Canada, also feature a healthy mix of mid-sized grocers, including Save-On-Foods, London Drugs, Federated Co-operatives, and The North West Company. As larger grocery banners focus their efforts on population-dense areas, smaller communities are serviced by smaller format retailers as well as independent and specialty retailers. While sophisticated, transportation logistics across such a large country can be relatively expensive moving east to west. Product distribution channels routinely flow north to south, reinforcing the importance of imports from U.S. suppliers.

Canada's retail sector underwent notable transformation in 2024, driven by advances in technology, evolving consumer preferences, and economic shifts. A key development was the growing adoption of artificial intelligence (AI) and automation. Retailers increasingly used AI for inventory management and personalized marketing, leveraging data analytics to recommend products and tailor promotions that resonated with consumers.

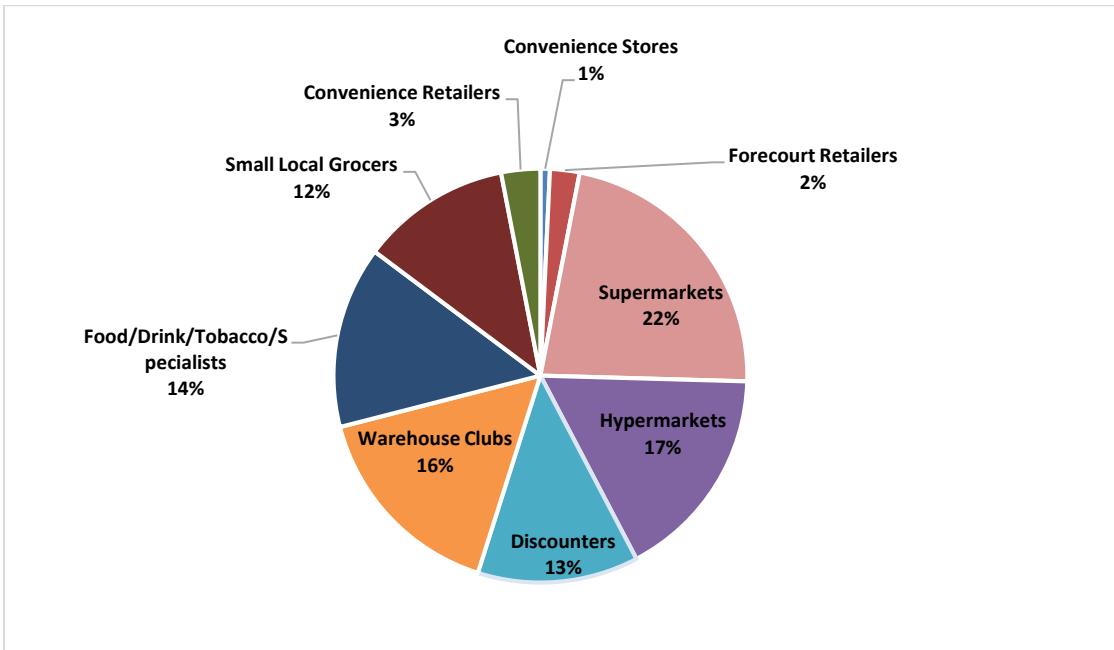
At the same time, experiential retail regained momentum as brick-and-mortar stores sought to compete with the convenience of online shopping. Retailers introduced interactive workshops, pop-up events, and community experiences—particularly in fashion and home goods—to strengthen customer engagement and brand loyalty. Those that successfully integrated digital convenience with in-store experience achieved higher sales and improved customer retention.

Sustainability also emerged as a defining theme in 2024. With rising environmental awareness, Canadian consumers showed a clear preference for brands adopting eco-friendly packaging, responsible sourcing, and transparent supply chains. Retailers that embraced these practices enhanced their reputation and attracted a growing base of environmentally conscious shoppers, reinforcing sustainability as both an ethical and commercial imperative in Canada's retail landscape.

Advantages and Challenges

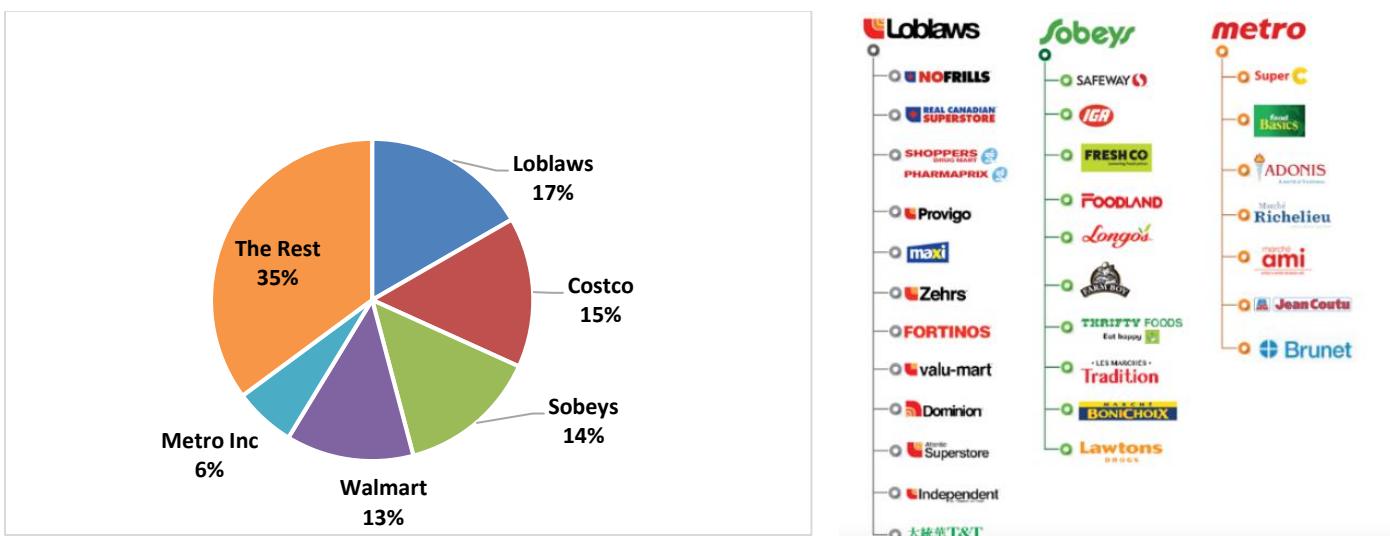
ADVANTAGES	CHALLENGES
On average, Canadian consumers have high disposable income, coupled with a growing interest in premium, high-quality products, and global cuisine.	The growing emphasis on “Made in Canada” and “Product of Canada” grocery labels reflects a broader shift toward economic nationalism, as Canadian consumers increasingly prioritize locally produced goods amid ongoing trade tensions.
Geographic proximity reduces transportation costs.	Geographic scale of Canada and costly shipping from East-West / coast-to-coast
U.S. food products are generally aligned with Canadian tastes and are familiar to Canadian consumers.	Bilingual (English and French) labeling, differences in nutrition fact panels, and other labeling requirements
Canada's ethnically diverse population exposes Canadians to increasingly diverse flavors and cuisines.	A stronger U.S. dollar makes competitive pricing challenging, especially in specialty foods
Strong demand for natural, organic, gourmet, and specialty food products.	Differences in chemical/residue tolerances, as well as food standards, may require special production runs
Duty-free, tariff-free treatment for more than 98 percent of U.S. products under USMCA (entered into force July 1, 2020).	Tariff rate quotas apply for supply-managed commodities such as dairy, poultry, and eggs
Food service operators rely on imported fruits and vegetables year-round.	“Buy local” movement across Canada saw strong interest in 2025
Well-established financial institutions and trading relationships.	Differences in standard package sizes and units of measurement (metric vs. imperial)
AIRS , Industry Labelling Tool , and National Import Service Centre provide regulatory guidance to facilitate trade.	Retailers and distributors often prefer working through a Canadian broker

2024 Retail Sales by Channel (Value)



Source: Euromonitor

2024 Estimated Market Share of Major Grocery Retailers



Source: Euromonitor, Retail Grocery Market Study Report (Competition bureau), Stats Canada

In 2024, high inflation significantly impacted disposable income, prompting Canadian consumers to adjust their shopping habits and prioritize better-priced channels, such as discount retailers and supermarkets and essential products. Many consumers prioritized value-orientated options, focusing on essentials rather than splurging on luxuries. This led to discounters and private label retailers gaining popularity, while high-end items faced a bit

more scrutiny. Retailers able to navigate these economic bumps by offering competitive prices, flexible payment plans and loyalty perks found themselves in a better position to keep sales strong.

Additionally, there was a marked increase in consumer interest in private label products as many private labels are more cost effective relative to branded products. Supermarkets in Canada faced several notable challenges throughout the year, including escalating prices, labor challenges, potential recessionary concerns, and supply chain disruptions. These factors tested the loyalty of Canadian consumers, many of whom now frequently shop across multiple retailers to meet their needs effectively. As a result, consumers are cutting back on non-essential purchases and becoming increasingly price sensitive. Nonetheless, the supermarket channel continued to register growth at the end of the review period, largely fueled by higher prices.

To diversify their offerings and introduce more innovative products, Canadian retailers increasingly rely on imported foods. Canada boasts a sophisticated and integrated food supply chain, supported by numerous large U.S. food manufacturers. Furthermore, small to medium-sized food companies have developed excellent warehousing and distribution channels to bring new products to retail stores.

Key Marketing Drivers and Trends

Household Income and Demographic Trends: According to Euromonitor, Canada ranked 10th out of 33 developed countries in 2024 for household disposable income, averaging USD 76,615 per household. Over the next five years (2024–2029), disposable income is projected to grow by about five percent in real terms, though at a slower pace than the developed-country average. Household spending is also expected to increase by nearly four percent in real terms, reflecting a gradual recovery in consumer confidence and a return to more typical spending habits.

Couples with children will remain the largest spending group, representing about 36 percent of total consumer expenditure by 2029. Their purchasing patterns will continue to drive demand for family-oriented goods and services, including larger suburban housing, transportation, and education-related products. For the agri-food sector, this suggests steady demand for staple grocery items such as bakery goods, cereals, dairy, fresh fruits and vegetables, meat, and poultry—products that are central to family consumption.

At the same time, single-person households are expected to see the fastest growth in consumer spending. This demographic shift will fuel demand for convenient, ready-to-eat meals, smaller packaging formats, and single-serve products. Exporters offering innovative, portion-controlled, and easy-preparation foods—such as pre-cut produce, frozen meals, and snackable proteins—are well positioned to benefit from this trend.

Health and Wellness Trends Shaping the Canadian Retail Sector: Another significant trend influencing the Canadian retail landscape in 2024 was the growing focus on health and wellness. As consumers become more health-conscious, retailers are adapting their offerings to meet this rising demand. The trend extends beyond food and beverages to include personal care products, fitness equipment, and wellness services. Grocery retailers and supermarkets have expanded their selections of organic, plant-based, and locally sourced products to attract health-minded shoppers. Many are also placing greater emphasis on transparency in product labeling, offering detailed information about ingredients and sourcing practices. This aligns with consumers' desire to make more informed and health-oriented choices. The focus on health and wellness goes beyond products—it reflects a broader lifestyle movement. Retailers are increasingly using social media and digital platforms to share wellness tips, recipes, and fitness challenges, fostering a sense of community among consumers. As Canadians continue to prioritize their well-being, retailers that embrace this trend are likely to strengthen customer loyalty and drive sales growth. For many Canadians, particularly among older adults and Gen Z consumers, health has become a top priority. The concept of healthy living now extends beyond physical health to include nutrition, exercise, mental wellness, and overall lifestyle choices. As food and supplements become increasingly intertwined, the idea

that “food is the new medicine” continues to gain traction, offering new opportunities for growth within Canada’s health and wellness market.

Grocery Code of Conduct: In July 2024, the Government of Canada announced that all major grocery retailers had agreed to adopt the upcoming [Grocery Code of Conduct](#). In development since 2021, the Code is designed to address longstanding challenges in the retail sector, such as arbitrary fees, unexpected cost increases, and delayed payments to suppliers. Its main objectives are to promote greater transparency between partners, improve supply chain practices, and encourage fair and ethical business dealings across the industry. The Code will be implemented in phases, with a transition period running from June 1 to December 31, 2025. During this time, the grocery sector will prepare for full compliance while the Office of the Grocery Sector Code of Conduct (OGSCC) supports stakeholders through education and outreach. Formal operations—including enforcement, dispute resolution, and membership contributions—are scheduled to begin on January 1, 2026.

Sustainability and Packaging Regulations Reshaping Consumer and Industry Priorities: In 2024, sustainability remained a key focus in Canada’s retail and policy landscape, influencing both consumer behavior and business practices. Environmental awareness among Canadians continues to grow, and more consumers are considering the environmental impact of their purchases. Retailers and brands adopting sustainable practices such as eco-friendly packaging and responsible sourcing have strengthened their market position and improved their public image. This shift has encouraged businesses to review their supply chains and adapt their marketing strategies to meet evolving expectations. In April 2024, the Government of Canada introduced the [Federal Plastics Registry](#), a measure aimed at improving transparency in plastic production and use. Beginning in 2025, companies will be required to report annually on the quantity and types of plastics they place on the market and how those materials are managed throughout their life cycle. The registry is part of Canada’s broader strategy to reduce plastic waste and promote a circular economy. The annual reporting to the Federal Plastics Registry started in September 2025, for data related to the 2024 calendar year, and continue until September 2027. Environment and Climate Change Canada (ECCC) indicated that reporting requirements beyond 2027 would be covered by a future information-gathering notice. Small businesses that generate less than one metric ton of plastics per year are exempt from reporting. In complying with plastic reporting requirements (applicable to businesses with a physical address in Canada), Canadian importers may request information from their suppliers, such as U.S. exporters of agriculture and food products, who thus end up sharing in the effort of collecting and reporting on the data. For more information, please refer to the [GAIN FAIRS Country report](#).

Discounts and Loyalty Programs Drive 2024 Consumer Choices: Despite a [slowdown in grocery inflation](#)—from 9.8 percent in 2022 to 7.8 percent in 2023 and 2.2 percent in 2024—Canadian consumers continue to prioritize savings, discounts, and loyalty programs, which have become major factors influencing purchasing decisions. Many shoppers remain focused on value-oriented options, concentrating on essential goods rather than discretionary or luxury items.

This shift has fueled the growth of discount and private-label retailers, while higher-end products have come under increased scrutiny. Retailers that have adapted by offering competitive prices, flexible payment options, and appealing loyalty incentives have been better positioned to sustain sales and customer engagement. Overall, the retail environment remains mixed, emphasizing that flexibility and responsiveness are key to success in an evolving marketplace. Most major grocery chains now operate loyalty programs that allow customers to earn and redeem points for groceries and other products. Many extend across multiple retail banners, giving consumers more opportunities to accumulate rewards. For example, Loblaw’s PC Optimum program spans both its grocery stores and Shoppers Drug Mart (Pharmaprix in Quebec), maximizing reward potential. According to data from the [Competition Bureau](#), about three in five Canadians—61 percent—say they are more likely to shop at stores offering rewards programs.

Rising Economic Nationalism and Shifts in Consumer Behavior: Changes in U.S.-Canada relations had a notable impact on Canadian consumer sentiment in 2025, fueling a rise in economic nationalism and a stronger preference for domestically produced goods. According to a recent [Leger 360 survey](#), 81 percent of Canadians reported being more inclined to purchase Canadian-made products during this time. Approximately two-thirds of respondents said they had reduced their purchases of U.S.-origin products, both in stores (63 percent) and online (62 percent), while 68 percent indicated an increase in buying Canadian-made goods.

This trend also encouraged consumers to become more proactive in identifying locally produced goods. However, identifying truly Canadian-made products remains challenging due to complex labeling standards and North America's integrated supply chains. Under current federal guidelines, products labeled as "Product of Canada" must have at least 98 percent of production costs incurred domestically, while "Made in Canada" products require only 51 percent Canadian content. Amid these developments, Canadian retailers are capitalizing on the "Buy Canadian" movement by giving domestically made products greater visibility in stores, promotional flyers, online platforms, and advertising campaigns. "Made in Canada" labels are also being prominently displayed throughout retail spaces, reinforcing consumer awareness and encouraging local purchasing.

Provincial Liquor Boards Response to trade tension: In this same period, Canadian provincial governments introduced countermeasures targeting American alcoholic beverages. Provincial liquor boards were directed to remove U.S. products from their shelves and suspend wholesale distribution to grocery stores, convenience outlets, bars, and restaurants. As of October 2025, eight of ten provinces continue to enforce the sales ban on U.S. alcoholic beverages, originally implemented in March 2025. Only Alberta and Saskatchewan [lifted](#) their restrictions in June 2025, allowing the importation and sale of U.S. alcoholic products to resume.

Section 2: Road Map for Market Entry

To facilitate initial export success, FAS/Canada recommends the following steps when entering the Canadian market:

- Contact an international trade specialist through your state department of agriculture;
- Thoroughly research Canada's competitive marketplace;
- Locate a Canadian partner to help identify valuable Canadian accounts; and
- Learn Canadian government standards and regulations that pertain to your product.

For more information on these steps, please consult the FAS/Canada [Exporter Guide](#) and contact FAS/Canada offices in Montreal, Ottawa, and Toronto to obtain customized support and a further detailed guide for targeting the retail sector in Canada.

U.S. companies need to assess their "export readiness" before entering the Canadian market. This includes determining how well-established their brand is in the United States and if the company currently has available resources and staff capacity to launch a product in Canada. Once the product is on the store shelf, all companies should focus on achieving realistic targeted sales levels. This will allow their products to acquire sales momentum and help to broaden distribution and maintain long-term success in the market.

Continue by reviewing the latest FAS/Canada Food and Agricultural Import Regulations and Standards Report ([FAIRS Report](#)) to understand relevant Canadian import requirements. The Canadian Food Inspection Agency (CFIA) provides extensive [programs and services](#), including a [Guide to Importing Food Products Commercially](#). The CFIA [Automated Import Reference System](#) (AIRS) helps businesses identify the appropriate Harmonized System (H.S.) codes and the import requirements for their products. The Canadian [National Import Service](#)

[Centre](#) can guide U.S. exporters through compliance questions and help facilitate cross-border shipments. FAS/Canada recommends that first-time exporters engage a [Canadian customs broker](#), as 80 percent of all shipments into Canada are handled and cleared by an appointed custom broker.¹

The bulk of Canadian food imports are imported directly by a large importer, broker, distributor, or wholesaler. Perishable items and multinational food companies ship directly to a national retail chain distribution center, with a smaller portion being sold through terminal markets for independent retailers. Unlike in the United States, retail category buyers from the larger chains can rely on food brokers, distributors, and importers to identify new products. More importantly, they also rely on these intermediaries to manage the relationship with U.S. companies and to guide U.S. companies through required compliance steps, the nuances of the Canadian retail market, and the development of promotional strategies to help sell the product in Canada.

While distributors can sell some select brands, they typically oversee several hundred SKUs and handle products where inventory will turn over quickly. On the other hand, brokers are focused on managing the product's brand and retail account relationships. Most brokers will handle between 10 to 25 brands at a time unless they are a national firm. Brokers will focus on establishing the distribution network and developing new retail accounts. Often, they are in a better position to give companies the required sales attention needed to develop established long-term sales. Average commission fees usually range around five percent. It is not unusual for the broker to request a retainer fee for new accounts, as much time is spent on promoting the brand to new accounts. Once sales targets are achieved, brokers typically transition to commission-based fees.

When targeting the Canadian market, it is essential to keep the following facts in mind: Canada is a mature market with a much smaller consumer base, roughly one-tenth of the United States. Accessing this consumer base can be expensive as major population groups are concentrated in cities that are spread out along the vast U.S.-Canada border. There are typically three major geographic regions to consider when seeking the largest markets: Ontario, Quebec, and British Columbia. For companies looking to launch on a smaller scale, a more manageable approach would be to focus on one province (or even city) at a time.

Attending Canadian trade and consumer shows can help U.S. exporters better understand the market. A partial list of Canadian trade shows can be found [here](#). USDA endorses [SIAL Canada](#), the largest food trade show in Canada. FAS/Canada works with [State Regional Trade Groups](#) (SRTG) to administer [USDA Market Access Program](#) funding to those U.S. companies that qualify. Once a U.S. firm qualifies with its regional SRTG, then some of its trade show expenses will be partially reimbursed.

¹ A “customs broker” works with Canada Border Services Agency to clear goods at the border. A “food broker” serves as an in-country sales representative for a U.S. company exporting to Canada.

Section 3: Competition

As a mature market with a highly integrated supply chain, much of the competition for Canadian market share is with other U.S. and Canadian food products already established in the market.

Table 1: Canadian Imports of Consumer-Oriented (C.O.) Products (in Million U.S. Dollars)

Year	CO Imports - Global	*CO Imports - U.S. Value	CO Imports - U.S. Share	Total Retail Food Sales
2021	\$31,784	\$17,585	55%	\$110,110
2022	\$34,773	\$19,195	55%	\$112,145
2023	\$35,017	\$19,672	56%	\$117,637
2024	\$37,835	\$20,964	55%	\$112,599

Source: Trade Data Monitor and Statistics Canada

Note: These data points slightly vary from other data points in this report because they reflect Canada's import data (i.e., Statistics Canada), rather than U.S. export data (U.S. Customs and Border Protection).

Table 2: 2024 Imports of Leading Consumer-Oriented (CO) Products (in Million U.S. Dollars)

Description	CO Imports Global \$	C.O. Imports U.S. Share	Leading Competitors
Bakery Goods, Cereals, & Pasta	3,994	2,793	70% Italy, China, and Mexico
Soup & Other Food Preparations	2,418	1,989	82% China, Mexico, and Germany
Fresh Vegetables	3,273	1,810	55% Mexico, China, and Guatemala
Fresh Fruit	4,821	1,724	36% Mexico, Guatemala, and Peru
Dog & Cat Food	1,383	1,226	89% Thailand, China, and Italy
Dairy Products	1,684	1,059	63% New Zealand, Italy and France
Chocolate & Cocoa Products	2,222	1,210	54% Malaysia, Belgium, and Germany
Beef & Beef Products	1,615	893	55% Australia, New Zealand, and Mexico
Pork & Pork Products	1,009	835	83% Italy, Germany, and Denmark
Non-Alcoholic Bev. (ex. juices, coffee, tea)	1,227	914	74% France, Italy, and Switzerland

Source: Trade Data Monitor

Note: These data points slightly vary from other data points in this report because they reflect Canada's import data (i.e., Statistics Canada), rather than U.S. export data (U.S. Customs and Border Protection).

Section 4: Best Product Prospects

In 2024, Canada imported \$21.8 billion worth of U.S. consumer-oriented agricultural products. The leading categories were bakery goods (\$2.8 billion), meals and soups (\$2 billion), and fresh vegetables (\$1.8 billion). According to Euromonitor, the baked goods market has traditionally been dominated by “whole wheat” products. However, consumers are increasingly shifting toward alternative ingredients such as plant-based, oat flour, gluten-free, and keto-friendly options. Looking ahead to 2024–2029, the baked goods category is projected to decline gradually as rising prices and growing health consciousness drive consumers toward low-carb and reduced-grain diets, particularly affecting regular white bread varieties.

The trend toward convenience is also fueling the growth of meal kits, which gained significant popularity in 2024 as retailers adapted to evolving consumer needs. With more Canadians returning to workplaces and managing busy schedules, the demand for quick, ready-to-eat meals has surged, strengthening sales in the meals and soups category. This segment is expected to continue expanding in the coming years, reflecting a broader shift toward practical and time-saving food solutions.

Table 3: Best Forecasted Growth Product Categories (2024 – 2029)

Product Category	Sales Growth 2023 / 2024	5-year CAGR-Growth Forecast	Subcategories	Sales Growth 2023 / 2024
Packaged Food				
Cooking Ingredients & Meals	2%	3%	Plant-based Milk	12%
			Chilled Ready Meals	7%
			Salad Dressings	6%
			Frozen Meat and Seafood Substitutes	5%
			Dips	5%
			Prepared Salads	3%
Snacks	1%	2%	Sugar Confectionary	4%
			Dried Fruit	3%
			Nuts, Seeds, and Trail Mixes	2%
			Fruit and Nut Bars	2%
Staple Foods				
Baked Goods	2%	2%	Bread	3%
			Pastries	2%
Pasta, Rice & Noodles	4%	2%	Pasta	5%
			Rice	4%
Pet Food	2%	4%	Dog and Cat Food	2%
Alcoholic and Non-Alcoholic Beverages				
Beverages/Soft Drinks	4%	5%	RTD Coffee	11%
			RTD Tea	5%
			Energy Drinks	6%
			Bottled Water	14%
Alcoholic Drinks	-0.1%	2%	RTD's	7%

Source: Euromonitor International

Products with Positive Sales Potential

Ready-to-Drink (RTD) and the Non-Alcohol Category: In 2024, the RTD category outperformed all other alcoholic segments, effectively offsetting declines in traditional alcohol consumption and sales, including beer, wine, and spirits. Meanwhile, Canada's non-alcoholic drinks category demonstrated robust volume growth. According to Euromonitor, trends such as "sober curious living" and "sobering down" reflect a significant shift in consumer behavior. Overall, alcohol consumption is decreasing, accompanied by a growing social acceptance of non-drinkers.

In response to these shifts, companies are broadening their portfolios by [expanding non-alcoholic options](#) alongside traditional offerings and investing heavily in RTD products, which continue to attract new entrants to the market. The alcoholic RTD category recorded a 7 percent increase in sales compared to 2023, while non-alcoholic beverages gained a 4 percent increase in market share, as shown in Table 3. In 2024, Canada imported \$1.2 billion worth of non-alcoholic beverages, 74 percent of which came from the United States, marking a 5 percent increase from the previous year.

Growth of Ready Meals and Plant-Based Products in Canada: The meal kit and plant-based categories—covering ready meals and plant-based ingredients—continued to show strong sales growth in 2024. These products, which typically have shorter shelf lives and emphasize health benefits and clean labeling, appeal to Canadian consumers increasingly focused on boosting immunity and digestive health. As shown in Table 3, chilled ready meals, salad dressings, and prepared salads recorded notable growth within the packaged foods sector, rising by 7 percent, 6 percent, and 3 percent respectively. According to Euromonitor, this trend reflects consumers' growing time constraints, particularly as more organizations return to hybrid or on-site work arrangements. Meal kits provide a practical solution by reducing the time and effort needed for meal preparation, making these ready-to-eat options both convenient and cost-effective for busy Canadians. Another major trend shaping the Canadian retail landscape in 2024 was the growing focus on health and wellness. As consumers become more health-conscious, retailers have adapted by expanding their selections of organic, plant-based, and locally sourced products to meet rising demand. As shown in Table 3, plant-based milk in particular saw a notable 12 percent increase in sales from 2023 to 2024.

Looking ahead, the demand for convenience and new, interesting flavors is expected to continue driving industry growth. To sustain growth in the meals and plant-based category, continued innovation in health-focused products will be essential. Future developments should emphasize functional attributes and enhanced nutritional value, with greater attention to macronutrients and natural ingredients.

Section 5: Key Contacts and Further Information

Agricultural Affairs Office

Physical Address: 490 Sussex Drive,
Ottawa, Ontario K1N 1G8

<http://www.fas.usda.gov>

Phone: (613) 688 5267

Email: agottawa@fas.usda.gov

Attachments:

No Attachments