



Beef Positioned to Capitalize on Forecasted Trends



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Beef was an extremely popular and versatile item on Canadian restaurant menus in 2022. Technomic believes that the overall beef category is well-positioned to capitalize on a variety of trends, which are forecasted to grow in 2023

Global Dishes and Flavours on the Rise

Many global dishes and flavours are poised for growth this year. Technomic's Ignite database illustrates an already pronounced trend in the prevalence of beef dishes influenced by global cuisine, in its Q3 observation of 1,964 menu items across 523 Canadian operators.

Innovative Cuts of Beef Appearing on Menus

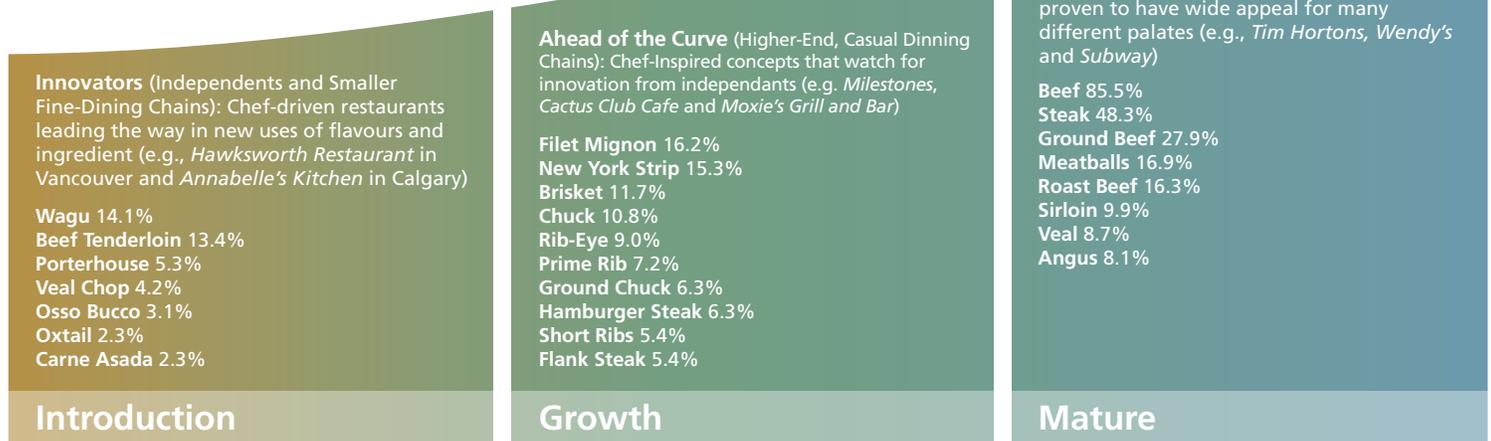
In conjunction with global cuisine and other elements of innovation, menus in Canada are everchanging. Innovators (independents and smaller fine-dining chains) and those ahead of the curve (higher-end, casual-dining chains) are the establishments where cutting-edge menu items tend to appear first.

Innovative cuts of beef are appearing on menus across Canada, with emphasis on both higher-end offerings (e.g., Wagyu and Filet Mignon), as well as value-driven cuts (e.g., Flank Steak). Wagyu in particular has seen a 63% increase in menu incidence from Q3 2021 to Q3 2022, within Technomic's Ignite Menu Canada national food trends data. Brisket entrées' menu incidence is also +36% in the same YoY period.

Beef Lifecycle on Restaurant Menus

What am I looking at?

The percent of operators in each specific bucket that menu with Beef



Source: Technomic Ignite Menu Canada national food trends data. Q3 2021 - Q3 2022



Q3 2022 Menu Incidence showed a variety of global cuisine beef dishes leading the way as a category. An example is Beef Yakiniku, as pictured at left.

Source: Technomic Ignite Menu Canada national food trends data

How Can Beef Help?

Beef remains a critical part of the restaurant experience, with its prevalence noted in both on and off-premise dining occasions.

Restauranters can attempt to mitigate economic pressures through continuing to differentiate their menus versus competitors, in an attempt to drive incremental visits to their establishments.

In order to capitalize on beef's versatility, continued innovation around both operator and consumer demands should be the focus in 2023.

Foodservice Economic Outlook

Annual commercial foodservice sales are forecasted to be relatively flat in 2023 compared to 2022, when adjusted for inflation. This leaves real sales trending 4.4% below pre-pandemic levels.

Source: Restaurants Canada

Of 60,861 Canadian full-service restaurants and limited-service eating places, 65.5% were profitable in 2021. Profit margins ranged from -3.8% in the bottom quartile, to 12.1% in the top quartile – thus illustrating the potential for further inflationary pressures.

Source: Statistics Canada

The Impact of Single-Use Plastic Prohibition on Food Service Takeout Containers Prepared by: Mauricio Arcila

Single Use Plastic Prohibition Regulations (SUPPR) were implemented by Environment and Climate Change Canada in December 2022 as a phased approach, impacting the economy and profitability of the foodservice sector. Aside from environmental concerns, it is crucial to attempt to mitigate the quantity and relative value of food waste influenced by the limited options of feasible packaging solutions available. The information below describes the attributes and performance of commonly used packaging materials as a takeout option. Note that polystyrene and plastic are no longer approved for single use in Canada.

Sustainable To-Go Food Containers – Investigative Report 2021⁽¹⁾

Relative rankings on a scale from very bad (---) to very good (++++) of each type of container against their cost, production impact, disposal options and any health concerns:

Type	Cost	Production	Disposal	Health Concern
Polystyrene*	\$	-	---	--
Plastic**	\$\$	-	-	-
Aluminum	\$\$\$	---	+++	+
Paper	\$\$	---	+	+
Biodegradable	\$\$\$\$	+	++	+
Reusable	\$	+	+	+

Source: Specs Waste Committee, Green 2 Go; Restaurant Waste Reduction Project; Sponsored by Society Promoting Environmental Conservation

* Polystyrene (PS or Styrofoam)

** Common materials of plastic containers: Polyethylene Terephthalate (PET or PETE), High-Density Polyethylene (HDPE), Polyvinyl Chloride (PVC or Vinyl), Low-Density Polyethylene (LDPE), Polypropylene (PP).

Aluminum

Aluminum takeout containers of the correct grade are approved for direct food contact.

Pros: Recyclable, strong and impervious to grease and moisture, can be reheated and subjected to a wide range of temperatures (from -25 to 200 o C).⁽³⁾

Cons: Higher cost versus other materials.

Paper

There are several options for paper-based takeout containers in the market, some of which have a grease-resistant lining.

Pros: Lower cost versus other options, the product can be versatile if specs match needs of establishment, can be used to reheat food if the packaging is verified as being microwave-safe⁽³⁾

Cons: Do not keep cooked food warm for an extended period of time⁽²⁾; some may not be microwave-safe, inconsistency between product’s temperature limits (due to differing structures)

Biodegradable Materials

An option with huge potential is cellulose-based containers, which have become more prevalent due to the ban on single-use plastics.

Pros: Proficient at reducing the migration of moisture across the food contact surface, fully biodegradable, naturally grease-resistant, can retain the heat of cooked meals to an extent, and can withstand a wide range of temperatures^(3,4)

Cons: Higher cost versus other materials.

Reusable Containers

Before the pandemic, some establishments would offer consumer discounts if reusable cups and packaging were used.

Pros: In principle, significantly less waste

Cons: Dangers to consumer health, as many recycled materials will hardly fulfill the requirement for direct food contact because functional additives like mineral oil, phthalates, bleaching agents, printing inks and several materials are toxic when they migrate from the recycled package into the food.⁽⁵⁾

Dual Container Takeout Solutions

A dual approach worthy of consideration is to offer the advantages of using approved materials as primary takeout containers (either aluminum, paper-based or biodegradable); and protecting them during transportation with an external container that will maintain the temperature of the food at acceptable levels. This method may be of particular validity in regions with colder climates or during the winters.

Which Option Prevails?

Though there are pros and cons associated with each approved packaging method, the fact remains that each establishment has different needs based on its menu structure. As such, careful considerations must be made by each foodservice stakeholder to ensure that they can balance providing high-quality takeout meals with managing the associated packaging costs.

References:

- (1) Society Promoting Environmental Conservation, Sustainable to Go Food containers, Green 2 Go, August 2021.
- (2) Shawyer, M., Medina, P., Thermal insulation materials, technical characteristics and selection criteria, The use of ice on small fishing vessels, Chapter 5., FAO, 2003.
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