

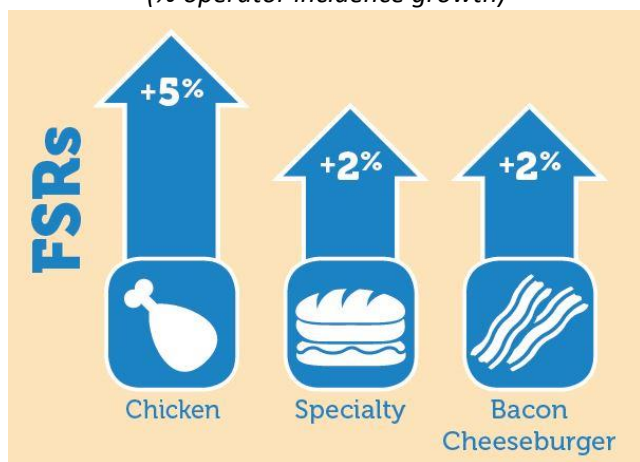


Spotlight on Burgers

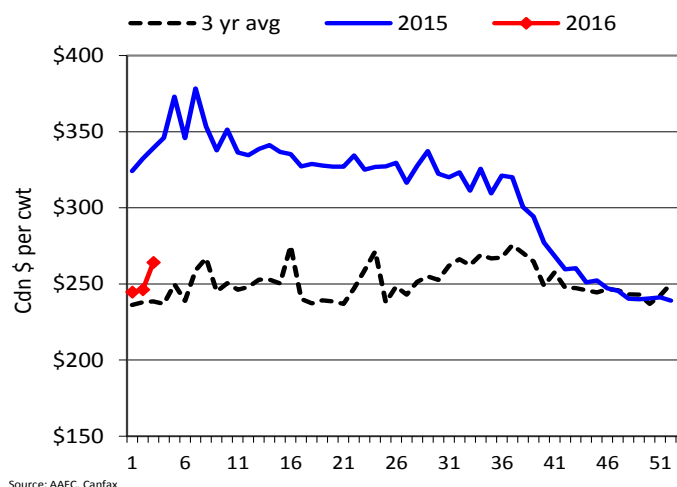
Bridging the information gap between consumers,retailers and producers

Fastest Growing Burger on Menus
(% operator incidence growth)

85% Fresh Trimmings



Source: Technomic [2015 Canadian Burger Consumer Trend Report](#)



Source: AAFC, Canfax

Canadian consumers eat an average of 3.7 burgers a month, according to Technomic's Canadian Burger Consumer Trend Report. High beef prices coupled with consumers' changing perceptions about red meat have driven burger innovation. Restaurants are utilizing different beef cuts, incorporating non-beef proteins, and adding specialty ingredients to lower costs, broaden choices and enhance value perception.

Have consumers shifted towards other protein?

At full-service restaurants, chicken was the fastest-growing burger in 2015, with menu occurrence up 5%. The high cost of beef relative to chicken and consumer preference for white meats are two of the main drivers for this change.

Quality and taste is key

Despite all the talks around high prices and health concerns, meat quality and taste remain the most important burger attribute for Canadian consumers, followed by price/value for the money, quality/taste of toppings, and quality/taste of the bun. Consumers are willing to pay more for better burgers if they are perceived to be a good overall value. This is probably good news for the beef industry, as for many people a juicy and flavorful beef patty is the key ingredient of a perfect burger.

Beef is about to cost less?

As shown in the right chart, ground beef prices at wholesale have been trending sharply lower in the second half of 2015 and are now 24% lower than 2014. Although lower prices at wholesale will take some time to reach to retail sector, and prices of chicken remain very competitive, the overall larger supply outlook for beef in North America in 2016 will help to stabilize beef prices.

❖ Beef opportunity

Limited-time offers (LTOs): According to Urner Barry's Reporter, beef burgers are outperforming in the LTOs. Consumers still want beef and they are willing to pay a premium for it. So with the LTOs it's about getting consumers excited to come in where they don't mind spending a little money for something a little different.

Friendlier cost environment: lower cost for retailer and restaurant moving forward will help to improve margins on beef products and provide featuring opportunities.

Reference: [Urner Barry's Reporter Winter 2016](#)

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